

**COUNTY OF JONES**  
**Trenton, North Carolina**

**FINANCIAL STATEMENTS**

**For The Fiscal Year Ended June 30, 2009**

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Prepared By  
**BARROW, PARRIS & DAVENPORT, P.A.**  
Certified Public Accountants  
Kinston, North Carolina

**JONES COUNTY, NORTH CAROLINA**

**BOARD OF COMMISSIONERS**

**Joseph F. Wiggins**  
Chairman

**Charles Battle, Jr.**

**Jessie Eubanks**

**Mike Haddock**

**Sondra I. Riggs**

**COUNTY OFFICIALS**

**Franky Howard**  
County Manager

**Wayne Vanderford**  
Tax Supervisor/Collector

**Melissa Moore-Freeman**  
Finance Officer

**Susan Gray**  
Register of Deeds

**Thelma Simmons**  
Social Services Director

**John Hall**  
Sheriff

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## **FINANCIAL SECTION**



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**INDEPENDENT AUDITOR'S REPORT**

The Board of County Commissioners  
Jones County, North Carolina

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Jones County, North Carolina as of and for the year then ended June 30, 2009, which collectively comprise Jones County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Jones County, North Carolina's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The financial statements of the Jones County ABC Board were not audited in accordance with Government Auditing Standards. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Jones County, North Carolina as of June 30, 2009, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the general fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated November 30, 2009 on our consideration of Jones County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

Management's Discussion and Analysis and the Law Enforcement Officers' Special Separation Allowance Schedules of Funding Progress and Employer Contributions are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements of Jones County, North Carolina. The combining and individual nonmajor fund financial statements and schedules and the statistical tables, as well as the accompanying schedule of expenditures of federal and State awards as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and the State Single Audit Implementation Act, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and the accompanying schedule of expenditures of federal and State awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The introductory information and the statistical tables have not been subjected to the auditing procedures applied in the audit of basic financial statements and, accordingly, we express no opinion on them.

*Barrow, Parris & Davenport, P.A.*

BARROW, PARRIS & DAVENPORT, P.A.

November 30, 2009



## Management's Discussion and Analysis

As management of Jones County, we offer readers of Jones County's financial statements this narrative overview and analysis of the financial activities of Jones County for the fiscal year ended June 30, 2009. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the County's financial statements, which follow this narrative.

### Financial Highlights

- The assets of Jones County exceeded its liabilities at the close of the fiscal year by \$20,089,086 (*net assets*).
- The government's total net assets increased by \$66,442, primarily due to increased net assets in the governmental funds. This compares to an increase of \$1,666,274 in 2008.
- As of the close of the current fiscal year, Jones County's governmental funds (which include the general, special revenue and capital projects funds) reported combined ending fund balances of 8,544,059, a decrease of \$388,136 in comparison with the prior year. At June 30, 2009, approximately 57.22% of this total amount or \$4,888,859 is available for spending at the government's discretion (unreserved).
- At the end of the current fiscal year, unreserved undesignated fund balance for the General Fund was \$3,056,810, or 25.34% of total general fund expenditures for the fiscal year. In 2008, unreserved undesignated fund balance in the General Fund was \$1,985,358, or 18.28% of total expenditures.
- Jones County's total debt increased by \$16,730 (.57%) during the current year due to a new capital lease to upgrade Register of Deeds equipment.

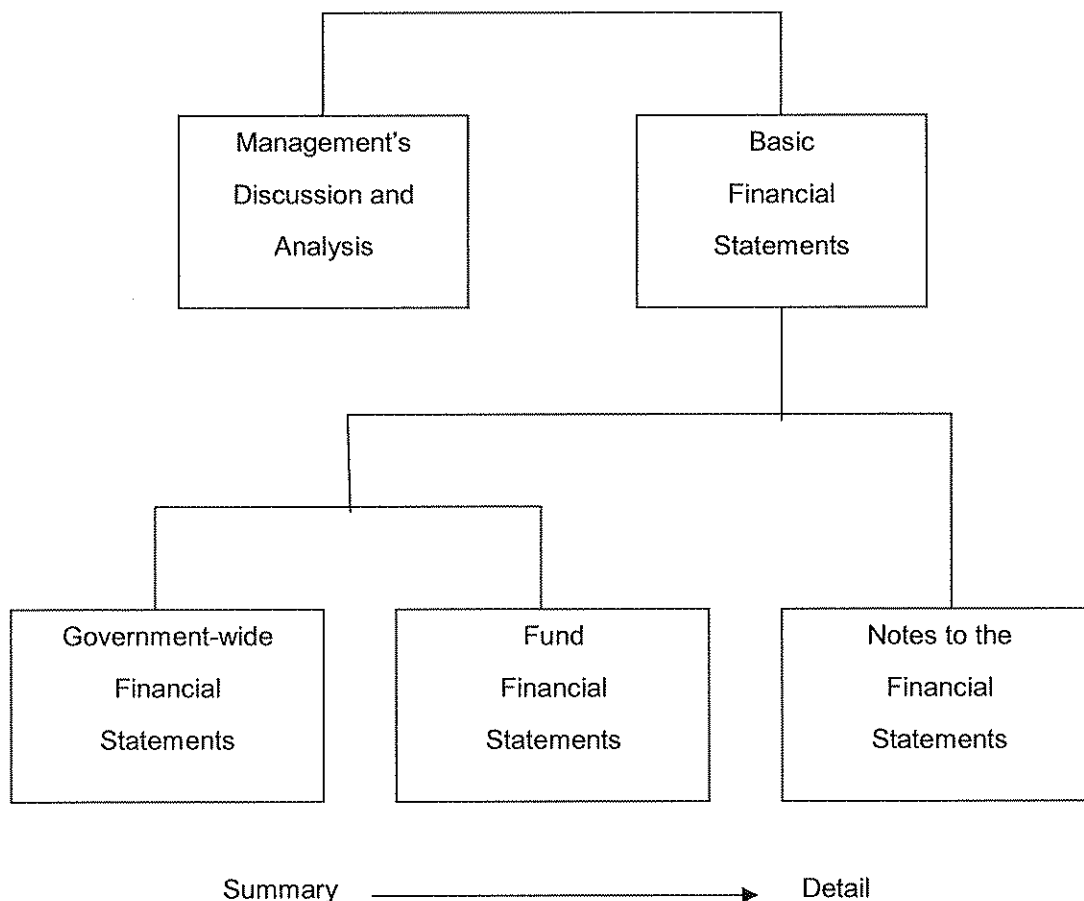
### Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to Jones County's basic financial statements. The County's basic financial statements consist of three components; 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements (see Figure 1). The basic financial statements present two different views of the County through the use of government-wide statements and fund financial statements. In addition to the basic financial statements, this report contains other supplemental information that will enhance the reader's understanding of the financial condition of Jones County.

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**Required Components of Annual Financial Report**  
**Figure 1**



**Basic Financial Statements**

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**Basic Financial Statements**

The first two statements (Exhibits 1 and 2) in the basic financial statements are the **Government-wide Financial Statements**. They provide both short and long-term information about the County's financial status.

The next statements (Exhibits 3 through 10) are **Fund Financial Statements**. These statements focus on the activities of the individual parts of the County's government. These statements provide more detail than the government-wide statements. There are four parts to the Fund Financial Statements: 1) the governmental funds statements; 2) the budgetary comparison statements; 3) the proprietary fund statements; and 4) the fiduciary fund statements.

The next section of the basic financial statements is the **notes**. The notes to the financial statements explain in detail some of the data contained in those statements. After the notes, **supplemental information** is provided to show details about the County's non-major governmental funds, all of which are added together in one column on the basic financial statements. Budgetary information required by the General Statutes also can be found in this part of the statements.

Following the notes is the required supplemental information. This section contains funding information about the County's pension plan.

## **Management's Discussion and Analysis (continued)**

### **County of Jones**

#### **Government-wide Financial Statements**

The government-wide financial statements are designed to provide the reader with a broad overview of the County's finances, similar in format to a financial statement of a private-sector business. The government-wide statements provide short and long-term information about the County's financial status as a whole.

The two government-wide statements report the County's net assets and how they have changed. Net assets are the difference between the County's total assets and total liabilities. Measuring net assets is one way to gauge the County's financial condition.

The government-wide statements are divided into three categories: 1) governmental activities; 2) business-type activities; and 3) component units. The governmental activities include most of the County's basic services such as public safety, parks and recreation, and general administration. Property taxes and state and federal grant funds finance most of these activities. The business-type activities are those that the County charges customers to provide. These include the water and sewer services offered by Jones County. The final category is the component unit. Although legally separate from the County, the ABC Board is important to the County because the County is financially accountable for the Board by appointing its members and because the Board is required to distribute its profits to the County.

The government-wide financial statements are on Exhibits 1 and 2 of this report.

#### **Fund Financial Statements**

The fund financial statements provide a more detailed look at the County's most significant activities. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Jones County, like all other governmental entities in North Carolina, uses fund accounting to ensure and reflect compliance (or non-compliance) with finance-related legal requirements, such as the General Statutes or the County's budget ordinance. All of the funds of Jones County can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

**Governmental Funds** – Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. Most of the County's basic services are accounted for in governmental funds. These funds focus on how assets can readily be converted into cash flow in and out, and what monies are left at year-end that will be available for spending in the next year. Governmental funds are reported using an accounting method called *modified accrual accounting*. This method also has a current financial resources focus. As a result, the governmental fund financial statements give the reader a detailed short-term view that helps him or her determine if there are more or less financial resources available to finance the County's programs. The relationship between government activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is described in a reconciliation that is a part of the fund financial statements.

Jones County adopts an annual budget for its General Fund, as required by the General Statutes. The budget is a legally adopted document that incorporates input from the citizens of the County; the management of the County, and the decisions of the Board about which services to provide and how to pay for them. It also authorizes the County to obtain funds from identified sources to finance these current period activities. The budgetary statement provided for the General Fund demonstrates how well the County complied with the budget ordinance and whether or not the County succeeded in providing the services as planned when the budget was adopted. The budgetary comparison statement uses the budgetary basis of accounting and is presented using the same format, language, and classifications as the legal budget document. The statement shows four columns: 1) the original budget as adopted by the board; 2) the final budget as amended by the board; 3) the actual resources, charges to appropriations, and ending balances in the General Fund; and 4) the difference or variance between the final budget and the actual resources and charges.

**Management's Discussion and Analysis (continued)**  
**County of Jones**

**Proprietary Funds** – Jones County has one kind of proprietary fund. *Enterprise Funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. Jones County uses enterprise funds to account for its water activity. These funds are the same as those separate activities shown in the business-type activities in the Statement of Net Assets and the Statement of Activities.

**Fiduciary Funds** – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Jones County has one fiduciary fund, which is an agency fund.

**Notes to the Financial Statements** – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements start on page 22 of this report.

**Other Information** – In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning Jones County's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found beginning on page 48 of this report.

**Government-wide Financial Analysis**

As noted earlier, net assets may serve over time as one useful indicator of a government's financial condition. The assets of Jones County exceeded liabilities by \$20,089,086 as of June 30, 2009. As of June 30, 2008, the net assets of Jones County stood at \$20,022,644. The County's net assets increased by \$66,442 for the fiscal year ended June 30, 2009, compared to an increase of \$1,666,274 in 2008. One of the largest portions (50.18%) reflects the County's investment in capital assets (e.g. land, buildings, machinery, and equipment), less any related debt still outstanding that was issued to acquire those items. Jones County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Jones County's investment in its capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities. An additional portion of Jones County's net assets (<1%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$9,988,888 is unrestricted. In 2008, the amount of net assets invested in capital assets net of related debt was \$9,489,139, with restricted assets standing at \$15,891. The remaining \$10,517,614 was unrestricted net assets for that year.

**Jones County's Net Assets**

**Figure 2**

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Totals</b>	
	<b>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>
Current and other assets	\$9,906,125	\$10,459,398	\$1,667,018	\$1,598,390	\$11,573,143	\$12,057,788
Capital assets	5,869,282	5,368,313	6,935,510	6,934,055	12,804,792	12,302,368
<b>Total assets</b>	<b>\$15,775,407</b>	<b>\$15,827,711</b>	<b>\$8,602,528</b>	<b>\$8,532,445</b>	<b>\$24,377,935</b>	<b>\$24,360,156</b>
Current Liabilities	\$595,457	\$682,191	\$160,977	\$122,436	\$756,434	\$804,627
Long-Term Liabilities	3,013,119	3,018,337	519,296	533,867	3,532,415	3,552,204
<b>Total liabilities</b>	<b>\$3,608,576</b>	<b>\$3,700,528</b>	<b>\$680,273</b>	<b>\$656,303</b>	<b>\$4,288,849</b>	<b>\$4,356,831</b>
Net assets:						
Invested in capital assets, net of related debt	\$3,644,818	\$3,055,084	\$6,435,510	\$6,434,055	\$10,080,328	\$9,489,139
Restricted	19,870	15,891			19,870	15,891
Unrestricted	8,502,143	9,056,208	1,486,745	1,461,406	9,988,888	10,517,614
<b>Total net assets</b>	<b>\$12,166,831</b>	<b>\$12,127,183</b>	<b>\$7,922,255</b>	<b>\$7,895,461</b>	<b>\$20,089,086</b>	<b>\$20,022,644</b>

**Management's Discussion and Analysis (continued)**  
**County of Jones**

Several particular aspects of the County's financial operations positively influenced the total unrestricted governmental net assets:

- Continued diligence in the collection of property taxes has allowed Jones County to maintain a collection rate of 94.15% which is comparable to last year's collection rate of 94.17%.
- The recruitment and selection of a new Finance Officer for Jones County has proven to have had a positive impact on the overall financial operations of Jones County.

**Jones County's Changes in Net Assets**

**Figure 3**

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Totals</b>	
	<b>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>
<b>Revenues:</b>						
Program revenues:						
Charges for services	\$977,027	\$1,007,743	\$917,008	\$769,429	\$1,894,035	\$1,777,172
Operating grants and contributions	4,531,708	4,169,806			4,531,708	4,169,806
Capital grants and contributions		704,465				704,465
General revenues:						
Property taxes	5,013,692	4,758,873			5,013,692	4,758,873
Other taxes	1,524,283	1,810,365			1,524,283	1,810,365
Grants and contributions not restricted to specific programs	167,953	440,258			167,953	440,258
Other	252,550	178,571	104	5,832	252,654	184,403
<b>Total revenues</b>	<b>\$12,467,213</b>	<b>\$13,070,081</b>	<b>\$917,112</b>	<b>\$775,261</b>	<b>\$13,384,325</b>	<b>\$13,845,342</b>
<b>Expenses:</b>						
General government	\$1,574,770	\$1,828,443			\$1,574,770	\$1,828,443
Public safety	2,633,362	2,040,604			2,633,362	2,040,604
Environmental Protection	580,133	621,344			580,133	621,344
Economic and physical development	652,578	286,480			652,578	286,480
Human services	4,688,522	4,564,288			4,688,522	4,564,288
Cultural and recreation	237,598	209,211			237,598	209,211
Education	2,052,782	1,723,907			2,052,782	1,723,907
Interest on long-term debt	72,820	76,233			72,820	76,233
Water			\$825,318	\$828,558	825,318	828,558
<b>Total expenses</b>	<b>\$12,492,565</b>	<b>\$11,350,510</b>	<b>\$825,318</b>	<b>\$828,558</b>	<b>\$13,317,883</b>	<b>\$12,179,068</b>
<b>Increase in net assets before transfers</b>	<b>(\$25,352)</b>	<b>\$1,719,571</b>	<b>\$91,794</b>	<b>(\$53,297)</b>	<b>\$66,442</b>	<b>\$1,666,274</b>
Transfers	65,000	65,000	(65,000)	(65,000)		
<b>Increase (Decrease) in net assets</b>	<b>\$39,648</b>	<b>\$1,784,571</b>	<b>\$26,794</b>	<b>(\$118,297)</b>	<b>\$66,442</b>	<b>\$1,666,274</b>
Net assets, July 1	12,127,183	10,342,612	7,895,461	8,013,758	20,022,644	18,356,370
<b>Net assets, June 30</b>	<b>\$12,166,831</b>	<b>\$12,127,183</b>	<b>\$7,922,255</b>	<b>\$7,895,461</b>	<b>\$20,089,086</b>	<b>\$20,022,644</b>

***Management's Discussion and Analysis (continued)***  
***County of Jones***

**Governmental Activities.** Governmental activities increased the County's net assets by \$39,648 compared to an increase of \$1,784,571 in 2008. Key elements of the increase in 2009 are as follows:

- The 2009 growth was enhanced by an additional \$400,000 in grant funds for rehab/repair of homes, a continued increase in Emergency Medical Service revenues, and other grant funds for various county projects.
- The Board of County Commissioners has continued to operate the county within a lean and conservative budget.
- Monthly review by the Finance Officer and the County Manager of the year to date expenditures will ensure that the county remains within the approved operating budget.

**Business-type activities:** Business-type activities increased Jones County's net assets by \$26,794 compared to a decrease of \$118,297 in 2008. Key elements of this increase in 2009 are as follows:

- The County has completed the work on a \$1.4 million capital project to extend the waterline approximately 22 miles in the NE section of Jones County. This project has required matching funds and in-kind labor from the Jones County Water System.

***Financial Analysis of the County's Funds***

As noted earlier, Jones County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental Funds.** The focus of Jones County's governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing Jones County's financing requirements. Specifically, unreserved fund balance can be a useful measure of a government's net resources available for spending at the end of the fiscal year.

The General Fund is the chief operating fund of Jones County. At the end of the current fiscal year, unreserved fund balance of the General Fund was \$4,251,833, while total fund balance reached \$7,907,033. \$1,195,023 of the unreserved fund balance has been designated for future projects and subsequent year's expenditures, leaving \$3,056,810 unreserved and undesignated. As a measure of the general fund's liquidity, it may be useful to compare unreserved fund balance and unreserved/undesignated total fund balance to total fund expenditures. Unreserved fund balance and unreserved/undesignated fund balance represent 35.23 and 25.34 percent, respectively of total General Fund expenditures, while total fund balance represents 65.53 percent of that same amount.

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At June 30, 2009, the governmental funds of Jones County reported a combined fund balance of \$8,544,059 compared to \$8,932,195 at June 30, 2008. The primary reason for this decrease is the decrease in the fund balances in the other nonmajor governmental funds.

**General Fund Budgetary Highlights:** During the fiscal year, the County revised the budget on several occasions. Generally, budget amendments fall into one of three categories: 1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available; 2) amendments made to recognize new funding amounts from external sources, such as Federal and State grants; and 3) increases in appropriations that become necessary to maintain services. Total amendments to the General Fund increased budgeted expenditures by \$1,691,643.

**Proprietary Funds.** Jones County's proprietary funds provide the same type of information found in the government-wide statements but in more detail. Unrestricted net assets of the Water and Sewer Fund at the end of the fiscal year amounted to \$1,486,745. The total increase in net assets was \$26,794. Other factors concerning the finances of this fund has already been addressed in the discussion of Jones County's business-type activities.

**Capital Asset and Debt Administration**

**Capital assets.** Jones County's capital assets for its governmental and business – type activities as of June 30, 2009, totals \$12,804,792 (net of accumulated depreciation). These assets include land, buildings, machinery and equipment, and infrastructure.

Major capital asset transactions during the year include:

- Completed water line extensions to the Jones County Water System.
- Began renovations to the County Courthouse to add an elevator and additional inmate cells and to renovate the existing inmate cells.

**Jones County's Capital Assets**  
(net of depreciation)

**Figure 4**

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Totals</b>	
	<b>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>
Land	\$385,899	\$385,899	\$35,708	\$35,708	\$421,607	\$421,607
Buildings and system	4,418,248	4,524,735	6,866,882	5,566,030	11,285,130	10,090,765
Machinery and equipment	320,209	274,970	32,920	62,071	353,129	337,041
Infrastructure	133,853	136,898			133,853	136,898
Construction in Progress	611,073	45,811		1,270,247	611,073	1,316,058
<b>Total</b>	<b>\$5,869,282</b>	<b>\$5,368,313</b>	<b>\$6,935,510</b>	<b>\$6,934,056</b>	<b>\$12,804,792</b>	<b>\$12,302,369</b>

Additional information on the County's capital assets can be found in note III. (A) (5) of the Basic Financial Statements.

**Long-term Debt.**

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<b>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>
Qualified Zone Academy Bonds	\$532,184	\$582,596			\$532,184	\$582,596
Capitalized Leases	16,730	10,173			16,730	10,173
Installment Purchases	2,207,734	2,303,056	\$500,000	\$500,000	2,707,734	2,803,056
	<b>\$2,756,648</b>	<b>\$2,895,825</b>	<b>\$500,000</b>	<b>\$500,000</b>	<b>\$3,256,648</b>	<b>\$3,395,825</b>

Jones County's total debt decreased by \$139,177 (4.10%) during the past fiscal year, primarily due to repayments on existing loans. The County also acquired new debt of a capital lease for equipment in the Register of Deeds' office.

The State of North Carolina limits the amount of general obligation debt that a unit of government can issue to 8 percent of the total assessed value of taxable property located within that government's boundaries. The legal debt margin for Jones County is \$56,214,325. At June 30, 2009, Jones County had general obligations and capitalized leases outstanding of \$3,256,648 that are to be considered within the legal debt margin.

***Management's Discussion and Analysis (continued)***  
***County of Jones***

Additional information regarding Jones County's long-term debt can be found in note III. (B) (6) beginning on page 41 of this audited financial report.

**Economic Factors and Next Year's Budgets and Rates**

The following key economic indicators reflect the growth and prosperity of the County.

- The County has experienced a significant increase in its unemployment rate. As of June 30, 2009, the county unemployment rate was 10.5%, which has doubled since this time last year.
- Upon making the proper sewer improvements, the Town of Maysville will attract a subdivision with an estimated investment of approximately \$60 million. The Town Board has voted to begin annexation procedures in this portion of Jones County once improvements are made.
- Lenoir Community College has completed the construction of a \$2 million facility to relocate their Jones County Center. It is strategically located directly across from the Jones County Industrial Park in Trenton, NC.
- The County continues to see an increase in private construction of new homes. Jones County approved two subdivisions in the western end of the county which will add 30 homes.
- The County Water System has received grant funds to add an additional well to the system. Construction to begin in fiscal year 2009 - 2010.

***Budget Highlights for the Fiscal Year Ending June 30, 2010***

**Governmental Activities:** The County's tax rate will remain the same for the upcoming year.

The County's General Fund budget was reduced by over \$400,000 or 3%. A new curbside pickup program for solid waste will be implemented through a private contract for a fee of \$13 per month to each household that elects the service. This replaces the old red bag program that was being supplemented by those taxpayers who never utilized the service.

**Business – type Activities:** Water Enterprise operating expenses will remain relatively level. There have been cuts in overhead cost, however that is offset by budgeted set asides for future construction needs and a new meter replacement program. Tap fees have been adjusted to better offset the actual cost involved with installing new services.

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***Requests for Information***

This report is designed to provide an overview of the County's finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to the Jones County Finance Office, 418 Hwy 58 North (Post Office Box 266), Trenton, NC 28585.



## **BASIC FINANCIAL STATEMENTS**

**JONES COUNTY, NORTH CAROLINA**  
**STATEMENT OF NET ASSETS**  
June 30, 2009

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Jones County ABC Board
<b>Assets:</b>				
Cash and Cash Equivalents	\$7,334,455	\$1,471,894	\$8,806,349	\$63,531
Receivables (Net)	721,650	138,626	860,276	
Due From Other Governments	573,728		573,728	
Internal Balances	50	(50)		
Inventories	5,585	29,598	35,183	127,060
Prepaid Items				2,321
Restricted Cash and Cash Equivalents		26,950	26,950	
Notes Receivable:				
Due Within One Year	123,361		123,361	
Due in More Than One Year	1,147,296		1,147,296	
Capital Assets:				
Land, Improvements, and Construction in Progress	996,972	35,708	1,032,680	15,073
Other Capital Assets, Net of Depreciation	4,872,310	6,899,802	11,772,112	26,471
Total Capital Assets	<b>\$5,869,282</b>	<b>\$6,935,510</b>	<b>\$12,804,792</b>	<b>\$41,544</b>
<b>Total Assets</b>	<b>\$15,775,407</b>	<b>\$8,602,528</b>	<b>\$24,377,935</b>	<b>\$234,456</b>
<b>Liabilities:</b>				
Accounts Payable and Accrued Expenses	\$537,915	\$71,453	\$609,368	\$68,094
Accrued Interest Payable	15,920		15,920	
Unearned Revenue	41,622		41,622	
Customer Deposits		89,524	89,524	
Long-term Liabilities:				
Due within one year	166,470	4,771	171,241	1,668
Due in more than one year	2,846,649	514,525	3,361,174	2,919
<b>Total Liabilities</b>	<b>\$3,608,576</b>	<b>\$680,273</b>	<b>\$4,288,849</b>	<b>\$72,681</b>
<b>Net Assets:</b>				
Invested in Capital Assets, Net of Related Debt	\$3,644,818	\$6,435,510	\$10,080,328	\$36,957
Restricted For:				
Register of Deeds	19,870		19,870	
Unrestricted	8,502,143	1,486,745	9,988,888	124,818
<b>Total Net Assets</b>	<b>\$12,166,831</b>	<b>\$7,922,255</b>	<b>\$20,089,086</b>	<b>\$161,775</b>

The notes to the financial statements are an integral part of this statement.

**JONES COUNTY, NORTH CAROLINA**  
**STATEMENT OF ACTIVITIES**  
For the Year Ended June 30, 2009

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary Government:</b>				
Governmental Activities:				
General Government	\$1,574,770	\$126,375		
Public Safety	2,633,362	440,794	\$309,025	
Environmental Protection	580,133	84,560	204,611	
Economic and Physical Development	652,578	110,329	378,055	
Human Services	4,688,522	212,007	3,514,022	
Cultural and Recreation	237,598	2,962	800	
Education	2,052,782		125,195	
Interest on Long-Term Debt	72,820			
<b>Total Governmental Activities</b>	<b>\$12,492,565</b>	<b>\$977,027</b>	<b>\$4,531,708</b>	<b>\$0</b>
Business-type Activity:				
Water	\$825,318	\$917,008		
<b>Total Business-type Activities</b>	<b>\$825,318</b>	<b>\$917,008</b>	<b>\$0</b>	<b>\$0</b>
	<b>\$13,317,883</b>	<b>\$1,894,035</b>	<b>\$4,531,708</b>	<b>\$0</b>
Component Units:				
ABC Board	\$879,161	\$879,825		
<b>Total Component Unit</b>	<b>\$879,161</b>	<b>\$879,825</b>	<b>\$0</b>	<b>\$0</b>

*General Revenues:*

Taxes:

Property Taxes, Levied for General Purpose

Local Option Sales Tax

Other Taxes and Licenses

Grants and Contributions Not Restricted to Specific Programs

Investment Earnings, Unrestricted

Miscellaneous, Unrestricted

Transfers

**Total General Revenues, Special Items, and Transfers**

**Change in Net Assets**

*Net Assets, Beginning*

**NET ASSETS, ENDING**

Net (Expense) Revenue and Changes in Net Assets			
Primary Government			Component Unit
Governmental Activities	Business-type Activities	Total	Jones County ABC Board
(\$1,448,395)		(\$1,448,395)	
(1,883,543)		(1,883,543)	
(290,962)		(290,962)	
(164,194)		(164,194)	
(962,493)		(962,493)	
(233,836)		(233,836)	
(1,927,587)		(1,927,587)	
(72,820)		(72,820)	
<b>(\$6,983,830)</b>	<b>\$0</b>	<b>(\$6,983,830)</b>	
	\$91,690	\$91,690	
<b>\$0</b>	<b>\$91,690</b>	<b>\$91,690</b>	
<b>(\$6,983,830)</b>	<b>\$91,690</b>	<b>(\$6,892,140)</b>	
			\$664
			<b>\$664</b>
\$5,013,692		\$5,013,692	
1,442,832		1,442,832	
81,451		81,451	
167,953		167,953	
170,621	\$104	170,725	\$160
81,929		81,929	500
65,000	(65,000)	0	
<b>\$7,023,478</b>	<b>(\$64,896)</b>	<b>\$6,958,582</b>	<b>\$660</b>
<b>\$39,648</b>	<b>\$26,794</b>	<b>\$66,442</b>	<b>\$1,324</b>
12,127,183	7,895,461	20,022,644	160,451
<b>\$12,166,831</b>	<b>\$7,922,255</b>	<b>\$20,089,086</b>	<b>\$161,775</b>

The notes to the financial statements are an integral part of this statement.

**JONES COUNTY, NORTH CAROLINA**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
June 30, 2009

	<u>Major</u>	<u>Non-Major</u>	
	<u>General</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS:</b>			
Cash and Cash Equivalents	\$6,741,030	\$593,425	\$7,334,455
Receivables, Net	632,174	16,543	648,717
Due From Other Funds	50		50
Due From Other Governments	534,129	39,599	573,728
Current Portion-Notes Receivable	123,361		123,361
Inventories	5,585		5,585
Notes Receivable	1,147,296		1,147,296
<b>TOTAL ASSETS</b>	<b><u>\$9,183,625</u></b>	<b><u>\$649,567</u></b>	<b><u>\$9,833,192</u></b>
<b>LIABILITIES AND FUND BALANCES</b>			
<i>Liabilities:</i>			
Accounts Payable and Accrued Liabilities	\$525,374	\$12,541	\$537,915
Due To Other Funds			0
Unearned Revenue	41,622		41,622
Deferred Revenue	709,596		709,596
<b>Total Liabilities</b>	<b><u>\$1,276,592</u></b>	<b><u>\$12,541</u></b>	<b><u>\$1,289,133</u></b>
<i>Fund Balances:</i>			
Reserved for:			
Inventories	\$5,585		\$5,585
State Statute	1,727,414		1,727,414
Reserved for Specific Expenditures	1,902,331		1,902,331
Register of Deeds	19,870		19,870
Unreserved, Available for Appropriation:			
Designated for Future Projects	1,095,023		1,095,023
Designated for Subsequent Years' Expenditures	100,000		100,000
Undesignated	3,056,810		3,056,810
Unreserved, Reported In Nonmajor:			
Special Revenue Funds		\$502,749	502,749
Capital Projects Fund		134,277	134,277
<b>Total Fund Balances</b>	<b><u>\$7,907,033</u></b>	<b><u>\$637,026</u></b>	<b><u>\$8,544,059</u></b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b><u>\$9,183,625</u></b>	<b><u>\$649,567</u></b>	

Amounts reported for governmental activities in the statement of net assets (Exhibit 1) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	\$5,869,282
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.	72,933
Liabilities for earned but deferred revenues in fund statements.	709,596
Some liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds (Note 6).	(3,029,039)
<b>Net Assets of Governmental Activities</b>	<b><u>\$12,166,831</u></b>

The notes to the financial statements are an integral part of this statement.

**JONES COUNTY, NORTH CAROLINA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
For The Fiscal Year Ended June 30, 2009

	Major	Non-Major	
	General	Other Governmental Funds	Total Governmental Funds
<b>REVENUES:</b>			
Ad Valorem Taxes	\$4,987,067		\$4,987,067
Local Option Sales Taxes	1,442,832		1,442,832
Other Taxes and Licenses	60,008	\$220,595	280,603
Unrestricted Intergovernmental	167,953		167,953
Restricted Intergovernmental	4,102,936	508,349	4,611,285
Permits and Fees	151,703		151,703
Sales and Services	436,804		436,804
Investment Earnings	170,621		170,621
Miscellaneous	416,790	4,000	420,790
<b>TOTAL REVENUES</b>	<b>\$11,936,714</b>	<b>\$732,944</b>	<b>\$12,669,658</b>
<b>EXPENDITURES:</b>			
<i>Current:</i>			
General Government	\$1,505,761	\$502,927	\$2,008,688
Public Safety	2,587,069	83,426	2,670,495
Environmental Protection	468,571	119,000	587,571
Economic and Physical Development	247,828	368,733	616,561
Human Services	4,653,833		4,653,833
Cultural and Recreational	260,849		260,849
Miscellaneous-County	59,822		59,822
<i>Intergovernmental:</i>			
Education	2,052,782		2,052,782
<i>Debt Service:</i>			
Principal	155,908		155,908
Interest	73,015		73,015
<b>Total Expenditures</b>	<b>\$12,065,438</b>	<b>\$1,074,086</b>	<b>\$13,139,524</b>
<b>Excess (Deficiency) of Revenues</b>			
<b>Over Expenditures</b>	<b>(\$128,724)</b>	<b>(\$341,142)</b>	<b>(\$469,866)</b>
<b>OTHER FINANCING SOURCES (USES):</b>			
Transfers from Other Funds	\$256,702	\$43,384	\$300,086
Transfers to Other Funds	(43,384)	(191,702)	(235,086)
Capital Lease Obligation Issued	16,730		16,730
<b>Total Other Financing Sources (Uses)</b>	<b>\$230,048</b>	<b>(\$148,318)</b>	<b>\$81,730</b>
<b>Net Change in Fund Balance</b>	<b>\$101,324</b>	<b>(\$489,460)</b>	<b>(\$388,136)</b>
<i>Fund Balances, Beginning</i>	7,805,709	1,126,486	8,932,195
<b>FUND BALANCES, ENDING</b>	<b>\$7,907,033</b>	<b>\$637,026</b>	<b>\$8,544,059</b>

The notes to the financial statements are an integral part of this statement.

**JONES COUNTY, NORTH CAROLINA**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**  
For The Fiscal Year Ended June 30, 2009

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Amounts reported for governmental activities in the statement of activities are different because:

Net changes in fund balances - total governmental funds	(\$388,136)
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Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

510,082

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

(231,156)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

139,177

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

9,681

**Total Changes in Net Assets of Governmental Activities**

**\$39,648**

**JONES COUNTY, NORTH CAROLINA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES-BUDGET AND ACTUAL**  
**GENERAL FUND**  
For the Fiscal Year Ended June 30, 2009

	Original Budget	Final Budget	Actual	Variance with Final Positive (Negative)
<b>Revenues:</b>				
Ad Valorem Taxes	\$4,827,085	\$4,846,085	\$4,987,067	\$140,982
Local Option Sales Tax	1,285,850	1,265,850	1,442,832	176,982
Other Taxes and Licenses	75,400	75,400	60,008	(15,392)
Unrestricted Intergovernmental	80,000	113,600	167,953	54,353
Restricted Intergovernmental	3,451,434	3,653,412	4,102,936	449,524
Permits and Fees	273,960	157,572	151,703	(5,869)
Sales and Services	125,325	425,949	436,804	10,855
Investment Earnings	268,691	268,691	170,621	(98,070)
Miscellaneous	50,557	256,165	416,790	160,625
<b>Total Revenues</b>	<b>\$10,438,302</b>	<b>\$11,062,724</b>	<b>\$11,936,714</b>	<b>\$873,990</b>
<b>Expenditures:</b>				
<i>Current:</i>				
General Government	\$1,825,688	\$1,656,677	\$1,505,761	\$150,916
Public Safety	1,532,321	2,725,112	2,587,069	138,043
Environmental Protection	500,559	495,381	468,571	26,810
Economic and Physical Development	241,512	278,861	247,828	31,033
Human Services	4,715,306	5,081,040	4,653,833	427,207
Cultural and Recreational	211,919	277,847	260,849	16,998
Miscellaneous-County	100,000	62,742	59,822	2,920
<i>Intergovernmental:</i>				
Education	2,027,897	2,211,346	2,052,782	158,564
<i>Debt Service:</i>				
Principal Retirement	157,464	155,908	155,908	
Interest	13,626	73,021	73,015	6
<b>Total Expenditures</b>	<b>\$11,326,292</b>	<b>\$13,017,935</b>	<b>\$12,065,438</b>	<b>\$952,497</b>
<b>Revenues Over (Under) Expenditures</b>	<b>(\$887,990)</b>	<b>(\$1,955,211)</b>	<b>(\$128,724)</b>	<b>\$1,826,487</b>
<b>Other Financing Sources (Uses):</b>				
Transfers (To) From Other Funds	\$65,000	(\$398,213)	\$213,318	\$611,531
Capital Lease Obligation Issued			16,730	
Appropriated Fund Balance	822,990	2,353,424		(2,353,424)
<b>Total Other Financing Sources (Uses)</b>	<b>\$887,990</b>	<b>\$1,955,211</b>	<b>\$230,048</b>	<b>(\$1,741,893)</b>
<b>Net Change in Fund Balance</b>	<b>\$0</b>	<b>\$0</b>	<b>\$101,324</b>	<b>\$84,594</b>
<i>Fund Balances:</i>				
Beginning of Year, July 1			7,805,709	
<b>End of Year, June 30</b>			<b>\$7,907,033</b>	

The notes to the financial statements are an integral part of this statement.



JONES COUNTY, NORTH CAROLINA  
STATEMENT OF NET ASSETS  
PROPRIETARY FUND  
June 30, 2009

	Major Fund
	Water
<b><u>ASSETS</u></b>	
<i>Current Assets:</i>	
Cash and Cash Equivalents	\$1,471,894
Receivables, Net	138,626
Inventories	29,598
<b>Total Current Assets</b>	<b>\$1,640,118</b>
<i>Noncurrent Assets:</i>	
Restricted Cash	\$26,950
Capital Assets:	
Land, Improvements, and Construction in Progress	35,708
Other Capital Assets, Net of Depreciation	6,899,802
<b>Total Capital Assets</b>	<b>\$6,935,510</b>
<b>TOTAL ASSETS</b>	<b>\$8,602,578</b>
<b><u>LIABILITIES AND NET ASSETS</u></b>	
<i>Liabilities:</i>	
<i>Current Liabilities:</i>	
Accounts Payable	\$71,453
Due to Other Funds	50
Customer Deposits	89,524
Current Portion of Installment Obligation Payable	4,771
<b>Total Current Liabilities</b>	<b>\$165,798</b>
<i>Noncurrent Liabilities:</i>	
Compensated Absences	\$19,296
Installment Obligation Payable	495,229
<b>Total Noncurrent Liabilities</b>	<b>\$514,525</b>
<b>TOTAL LIABILITIES</b>	<b>\$680,323</b>
<i>Net Assets:</i>	
Invested in Capital Assets, Net of Related Debt	\$6,435,510
Unrestricted	1,486,745
<b>Total Net Assets</b>	<b>\$7,922,255</b>

The notes to the financial statements are an integral part of this statement.

**JONES COUNTY, NORTH CAROLINA**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS**  
**PROPRIETARY FUND**  
For the Fiscal Year Ended June 30, 2009

	<b>Major Fund</b>
	<b>Water</b>
<b>OPERATING REVENUES:</b>	
Water Sales	\$857,805
Water Tap Fees	34,200
Reconnect Fees	19,550
Other Operating Revenues	5,453
<b>Total Operating Revenues</b>	<b>\$917,008</b>
<b>OPERATING EXPENSES:</b>	
Administration	\$192,119
Raw Water Supply Maintenance	400,548
Depreciation	210,896
<b>Total Operating Expenses</b>	<b>\$803,563</b>
<b>Operating Income (Loss)</b>	<b>\$113,445</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>	
Interest and Investment Revenue	\$104
Interest on Long-Term Debt	(21,755)
<b>Total Nonoperating Revenues</b>	<b>(\$21,651)</b>
Income (Loss) Before Contributions and Transfers	\$91,794
Transfers From (To) From Other Funds	(65,000)
<b>Change in Net Assets</b>	<b>\$26,794</b>
Total Net Assets, Beginning	7,895,461
<b>Total Net Assets, Ending</b>	<b>\$7,922,255</b>

The notes to the financial statements are an integral part of this statement.

**JONES COUNTY, NORTH CAROLINA**  
**STATEMENT OF CASH FLOWS**  
**ENTERPRISE FUND**  
For the Fiscal Year Ended June 30, 2009

	<b>Major Fund</b>
	<b>Water</b>
<b><i>CASH FLOWS FROM OPERATING ACTIVITIES</i></b>	
Cash Received From Customers	\$873,496
Cash Paid for Goods and Services	(305,689)
Cash Paid to Employees for Services	(252,109)
Customer Deposits Received	17,200
Customer Deposits Returned	(9,560)
Other Operating Revenues	5,453
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>\$328,791</b>
<b><i>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</i></b>	
Transfers In (Out)	(\$65,000)
<b><i>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</i></b>	
Acquisition and Construction of Capital Assets	(\$198,309)
Interest Paid on Bond Maturities & Equipment Contracts	(21,755)
<b>Net Cash Used by Capital and Related Financing Activities</b>	<b>(\$220,064)</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>\$43,727</b>
Cash and Cash Equivalents, July 1	1,455,117
<b>Cash and Cash Equivalents, June 30</b>	<b>\$1,498,844</b>
<i>Reconciliation of Operating Income to Net Cash Provided by Operating Activities</i>	
Operating Income (Loss)	<b>\$113,549</b>
<i>Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:</i>	
Depreciation	\$210,896
<i>Changes in Assets and Liabilities:</i>	
Decrease (Increase) in Accounts Receivable	(31,359)
Decrease (Increase) in Inventory	6,408
Increase (Decrease) in Accounts Payable and Accrued Liabilities	21,681
Increase (Decrease) in Customer Deposits	7,640
Increase (Decrease) in Accrued Vacation Payable	(24)
<b>Total Adjustments</b>	<b>\$215,242</b>
<b>Net Cash Provided by (Used by) Operating Activities</b>	<b>\$328,791</b>

The notes to the financial statements are an integral part of this statement.

**JONES COUNTY, NORTH CAROLINA**  
**STATEMENT OF FIDUCIARY NET ASSETS**  
**FIDUCIARY FUND**  
For the Year Ended June 30, 2009

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	<b>Agency Fund</b>
	<hr/>
<b><u>Assets</u></b>	
Cash and Cash Equivalents	\$110,321
Accounts Receivable	7,760
	<hr/>
<b>Total Assets</b>	<b>\$118,081</b>
<b><u>Liabilities and Net Assets</u></b>	
<i>Liabilities:</i>	
Accounts Payable and Accrued Liabilities	\$118,081
	<hr/>
<b>Total Liabilities</b>	<b>\$118,081</b>
<i>Net Assets:</i>	
Assets Held in Trust	<b>\$0</b>
	<hr/>

The notes to the financial statements are an integral part of this statement.

**JONES COUNTY, NORTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS INDEX**

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**JONES COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the Fiscal Year Ended June 30, 2009

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**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of Jones County and its component units conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant accounting policies:

**A. REPORTING ENTITY**

The County, which is governed by a five-member board of commissioners, is one of the 100 counties established in North Carolina under North Carolina General Statute 153A-10. As required by generally accepted accounting principles, these financial statements present the County and its component units, legally separate entities for which the County is financially accountable. Jones County Industrial Facility and Pollution Control Financing Authority (*Authority*) exists to issue and service revenue bond debt of private businesses for economic development purposes. The Authority has no financial transactions or account balances; therefore, it is not presented in the basic financial statements. The Jones County ABC Board (*Board*), which has a June 30 year-end, is presented as if it is a separate proprietary fund of the County (discrete presentation). The blended presentation method presents component units as a department or unit of the County, and offers no separate presentation as with the discrete method.

Component Unit	Reporting Method	Criteria for Inclusion	Separate Financial Statements
Jones County Industrial Facility and Pollution Control Financing Authority	Discrete	The Authority is governed by a seven-member board of commissioners that is appointed by the county commissioners. The County can remove any commissioner of the Authority with or without cause.	None issued
Jones County ABC Board	Discrete	The members of the ABC Board's governing board are appointed by the County. The ABC Board is required by State statute to distribute its surpluses to the General Fund of the County.	Jones County ABC Board PO Box 86 Trenton, NC 28585

**B. BASIS OF PRESENTATION, BASIS OF ACCOUNTING**

**Basis of Presentation, Measurement Focus – Basis of Accounting**

*Government-wide Statements:* The statement of net assets and the statement of activities display information about the primary government (the County) and its component unit. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the *governmental* and *business-type activities* of the County. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed as in whole or in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the County and for each function of the County's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

**JONES COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the Fiscal Year Ended June 30, 2009

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*Fund Financial Statements:* The fund financial statements provide information about the County's funds, including its fiduciary funds. Separate statements for each fund category – *governmental, proprietary, and fiduciary* – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies, result from non-exchange transactions. Other non-operating items such as investment earnings are ancillary activities.

The County reports the following major governmental fund:

*General Fund* – This is the County's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The County reports the following major enterprise fund:

*Water Fund* – This fund is used to account for the operations of the water system within the County.

The County reports the following fund types:

*Agency Funds* - Agency funds are custodial in nature and do not involve the measurement of operating results. Agency funds are used to account for assets the County holds on behalf of others. The County maintains the following Agency Funds: the Social Services Fund, which accounts for moneys deposited with the Department of Social Services for the benefit of certain individuals; the Fines and Forfeitures Fund, which accounts for various legal fines and forfeitures that the County is required to remit to Jones County Board of Education and the three percent interest on the first month of delinquent motor vehicle taxes that the County is required to remit to the North Carolina Department of Motor Vehicles, the Ad Valorem Tax Fund, which accounts for property taxes that are billed and collected by the County for municipalities and other taxing jurisdictions within the County, and the Agricultural Extension Fund, which accounts for the moneys collected and disbursed by the cooperative extension office.

#### **Measurement Focus, Basis of Accounting**

In accordance with North Carolina General Statutes, all funds of the County are maintained during the year using the modified accrual basis of accounting.

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*Government-wide, Proprietary, and Fiduciary Fund Financial Statements.* The government-wide, proprietary, and fiduciary fund financial statements are reported using the economic resources measurement focus, except for the agency funds which have no measurement focus. The government-wide, proprietary fund, and fiduciary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the County gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

**JONES COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the Fiscal Year Ended June 30, 2009

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Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the County enterprise funds are charges to customers for sales and services. The County also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the water system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

*Governmental Fund Financial Statements.* Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

The County considers all revenues available if they are collected within 30 days after year-end, except for property taxes. Ad valorem property taxes are not accrued as revenue because the amount is not susceptible to accrual. At June 30, taxes receivable are materially past due and are not considered an available resource to finance the operations of the current year. Also, as of January 1, 1993, State law altered the procedures for the assessment and collection of property taxes on registered motor vehicles in North Carolina. Effective with this change in the law, Jones County is responsible for billing and collecting the property taxes on all registered motor vehicles on behalf of all municipalities and special tax districts in the County. For registered motor vehicles, property taxes are due the first day of the fourth month after the vehicles are registered. The billed taxes are applicable to the fiscal year in which they are due. Therefore, taxes for vehicles registered from March 2008 through February 2009 apply to the fiscal year ended June 30, 2009. Uncollected taxes that were billed during this period are shown as a receivable on these financial statements.

Sales taxes and certain intergovernmental revenues, such as the utilities franchise tax, collected and held by the State at year-end on behalf of the County are recognized as revenue. Intergovernmental revenues and sales and services are not susceptible to accrual because generally they are not measurable until received in cash. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been satisfied.

Under the terms of grant agreements, the County funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus when program expenses are incurred, there are both restricted and unrestricted net assets available to finance the program. It is the County's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then by general revenues.

All governmental and business-type activities and enterprise funds of the County follow FASB Statements and Interpretations issued on or before November 30, 1989, Accounting Principles Board Opinions, and Accounting Research Bulletins, unless those pronouncements conflict with GASB pronouncements.

**C. BUDGETARY DATA**

The County's budgets are adopted as required by the North Carolina General Statutes. An annual budget is adopted for the General Fund, Property Revaluation Fund, and Emergency Telephone System Special Revenue Funds, and the Enterprise Fund. All annual appropriations lapse at the fiscal year-end. Project ordinances are adopted for the 2007 CDBG Scattered Site Fund, the Trent River Snagging Fund, the Capital Projects Funds, and the Enterprise Capital Projects Funds, which are consolidated with the enterprise operating funds for reporting purposes.

All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the departmental level for all annually budgeted funds and at the object level for the multi-year funds. The County Manager is not authorized to transfer any appropriation within a fund. The governing



**JONES COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the Fiscal Year Ended June 30, 2009

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board must approve all amendments. During the year, several amendments to the original budget were necessary. In the General Fund, revenues and expenditures were increased by \$2,154,856 due to budget amendments. The budget ordinance must be adopted by July 1 of the fiscal year or the governing board must adopt an interim budget that covers that time until the annual ordinance can be adopted.

**D. ASSETS, LIABILITIES, AND FUND EQUITY**

**1. Deposits and Investments**

All deposits of the County and Jones County ABC Board are made in board-designated official depositories and are secured as required by G.S. 159-31. The County and the ABC Board may designate, as an official depository, any bank or savings association whose principal office is located in North Carolina. Also, the County and the ABC Board may establish time deposit accounts such as NOW and SuperNOW accounts, money market accounts, and certificates of deposit.

State law [G.S. 159-30(c)] authorizes the County and the ABC Board to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States; obligations of the State of North Carolina; bonds and notes of any North Carolina local government or public authority; obligations of certain non-guaranteed federal agencies; certain high quality issues of commercial paper and bankers' acceptances; and the North Carolina Capital Management Trust (NCCMT).

The County and the ABC Board's investments are carried at fair value as determined by quoted market prices. The securities of the NCCMT Cash Portfolio, an SEC registered (2a-7) money market mutual fund, are valued at fair value, which is the NCCMT's share price. The NCCMT Term Portfolio's securities are valued at fair value.

**2. Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**3. Cash and Cash Equivalents**

The County pools moneys from several funds to facilitate disbursement and investment and to maximize investment income. Therefore, all cash and investments are essentially demand deposits and are considered cash and cash equivalents. Jones County ABC Board considers demand deposits and investments purchased with an original maturity of three months or less, which are not limited as to use, to be cash and cash equivalents.

**4. Restricted Cash**

As a part of the loan agreement with the US Department of Agriculture (USDA), the County has restricted cash equal to one annual loan payment including interest. To meet this requirement, the County has purchased a certificate of deposit at Branch Bank and Trust Company. The total amount of the cash restriction, by the terms of the loan agreement, was \$26,950 at June 30, 2009.

**5. Ad Valorem Taxes Receivable**

In accordance with State law [G.S. 105-347 and G.S. 159-13(a)], the County levies ad valorem taxes on property other than motor vehicles on July 1, the beginning of the fiscal year. The taxes are due on September 1 (lien date); however, penalties and interest do not accrue until the following January 6. These taxes are based on the assessed values as of January 1, 2008. As allowed by State law, the County has established a schedule of discounts that apply to taxes that are paid prior to the due date. In the County's General Fund, ad valorem tax revenues are reported net of such discounts.

**JONES COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the Fiscal Year Ended June 30, 2009

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**6. Allowances for Doubtful Accounts**

All receivables that historically experience uncollectible accounts are shown net of an allowance for doubtful accounts. This amount is estimated by analyzing the percentage of receivables that were written off in prior years.

**7. Inventories and Prepaid Items**

The inventories of the County and the ABC Board are valued at cost (first-in, first-out), which approximates market. The County's General Fund inventory consists of expendable supplies that are recorded as expenditures when purchased. The inventory of the County's enterprise fund as well as those of the ABC Board consists of materials and supplies held for consumption or resale. The cost of the inventory carried in the County's Enterprise Fund and that of the ABC Board is recorded as an expense as it is consumed or sold.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

**8. Capital Assets**

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at their estimated fair value at the date of donation. Minimum capitalization costs are as follows: land, \$1; Buildings, improvements, substations, lines and other plant and distribution systems, \$5,000; infrastructure, \$5,000; furniture and equipment, \$5,000; and vehicles, \$5,000. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

The County holds title to certain Jones County Board of Education properties that have not been included in capital assets. The properties have been deeded to the County to permit installment purchase financing of acquisition and construction costs and to permit the County to receive refunds of sales tax paid for construction costs. Agreements between the County and the Board of Education give the Board of Education full use of the facilities, full responsibility for maintenance of the facilities, and provide that the County will convey title to the property back to the Board of Education, once all restrictions of the financing agreements and all sales tax reimbursement requirements have been met. The properties are reflected as capital assets in the financial statements of the Jones County Board of Education.

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Capital assets of the County are depreciated on a straight-line basis over the following estimated useful lives:

	<u>Years</u>
Buildings	40 – 50
Plant and Distribution Systems	40 – 50
Infrastructure	50
Improvements	10 – 50
Furniture and Equipment	10
Vehicles and Motorized Equipment	5
Computer Equipment	5

Capital assets of the ABC Board are depreciated over their useful lives on a straight-line basis as follows:

	<u>Years</u>
Buildings	20
Furniture and Equipment	10
Vehicles	10

**JONES COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the Fiscal Year Ended June 30, 2009

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**9. Long-Term Obligations**

In the government-wide financial statements and in the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets.

In the fund financial statements for governmental fund types, the face amount of debt issued is reported as an other financing source.

**10. Compensated Absences**

The vacation policies of the County and the ABC Board provide for the accumulation of up to thirty days earned vacation leave with such leave being fully vested when earned. For the County's government-wide and proprietary funds, and the ABC Board, an expense and a liability for compensated absences and the salary-related payments are recorded as the leave is earned.

The sick leave policies of the County and the ABC Board provide for an unlimited accumulation of earned sick leave. Sick leave does not vest, but any unused sick leave accumulated at the time of retirement may be used in the determination of length of service for retirement benefit purposes. Since neither the County nor the ABC Board has any obligation for accumulated sick leave until it is actually taken, no accrual for sick leave has been made.

**11. Net Assets/Fund Balances**

**Net Assets**

Net assets in government-wide and proprietary fund financial statements are classified as invested in capital assets, net of related debt; restricted; and unrestricted. Restricted net assets represent constraints on resources that are either a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or b) imposed by law through state statute.

**Fund Balances**

In the governmental fund financial statements, reservations or restrictions of fund balance represent amounts that are not appropriable or are legally segregated for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

~~State law [G.S. 159-13(b)(16)] restricts the appropriation of fund balance to an amount not to exceed the sum of cash and investments minus the sum of liabilities, encumbrances and deferred revenues arising from cash receipts as those amounts stand at the close of the fiscal year preceding the budget year.~~

The governmental fund types classify fund balances as follows:

*Reserved:*

*Reserved for Inventories* – portion of fund balance not available for appropriation because it represents the year-end fund balance of ending inventories, which are not expendable, available resources.

*Reserved for Specific Expenditures* – portion of fund balance that has been reserved for specific programs or obligations of the County.

*Reserved by State Statute* – portion of fund balance, in addition to reserves for inventories and reserves for specific expenditures, which is not available for appropriation under State law [G.S. 159-8(a)]. This amount is usually comprised of accounts receivable and interfund receivables that are not offset by deferred revenues.

**JONES COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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*Reserved for Register of Deeds* – portion of fund balance constituting the Automation Enhancement and Preservation Fund, funded by 10% of the fees collected and maintained by the register of deeds' office. The funds are available for appropriation but are legally restricted for computer and imaging technology in the register of deeds office.

*Unreserved:*

*Designated for Future Projects and Expenditures* - portion of total fund balance available for appropriation that has been designated for future projects and expenditures.

*Designated for Subsequent Year's Expenditures* – portion of total fund balance available for appropriation that has been designated for the adopted 2009-2010 budget ordinance.

*Undesignated* – portion of total fund balance available for appropriation that is uncommitted at year-end.

**E. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

**1. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets.**

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds and net assets – governmental activities as reported in the government-wide statement of net assets. The net adjustment of \$3,622,772 consists of several elements as follows:

<u>Description</u>	<u>Amount</u>
Capital assets used in governmental activities are not financial resources and are therefore not reported in the funds (total capital assets on government-wide statement in governmental activities column)	\$8,179,747
Less Accumulated Depreciation	(2,310,465)
Net Capital Assets	\$5,869,282
Accrued interest receivable less the amount claimed as unearned revenue in the government-wide statements as these funds are not available and therefore deferred in the fund statements.	72,933
Liabilities for revenue deferred but earned and therefore reported in the fund statements but not the government-wide	709,596
Liabilities that, because they are not due and payable in the current period, do not require current resources to pay and are therefore not reported in the fund statements:	
Bonds, leases, and installment financing	(2,756,648)
Compensated absences	(246,483)
Accrued interest payable	(15,920)
Net pension obligation	(9,988)
<b>Total Adjustment</b>	<b>\$3,622,772</b>

**JONES COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the Fiscal Year Ended June 30, 2009

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**2. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balance and the government-wide statement of activities**

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net assets of governmental activities as reported in the government-wide statement of activities. There are several elements of that total adjustment of \$427,784 as follows:

<b>Description</b>	<b>Amount</b>
Capital outlay expenditures recorded in the fund statements but capitalized as assets in the statement of activities	\$746,036
Depreciation expense, the allocation of those assets over their useful lives, that is recorded on the statement of activities but not in the fund statements	(235,954)
New debt issued during the year is recorded as a source of funds of the fund statements; it has no effect on the statement of activities - it affects only the government-wide statement of net assets	(16,730)
Principal payments on debt owed are recorded as a use of funds on the fund statements but again affect only the statement of net assets in the government-wide statements	155,907
Expenses reported in the statement of activities that do not require the use of current resources to pay are not recorded as expenditures in the fund statements.	
Compensated absences are accrued in the government-wide statements but not in the fund statements because they do not use current resources	9,486
Difference in interest expense between fund statements (modified accrual) and government-wide statements (full accrual)	195
Revenues reported in the statement of activities that do not provide current resources are not recorded as revenues in the fund statements.	
Reversal of deferred tax revenue recorded at 7/01/08	(488,636)
Recording of tax receipts deferred in the fund statements as of 6/30/09	511,428
Increase in accrued taxes receivable for year ended 6/30/09	(3,833)
Current year collections of receivables recorded as revenue in the fund statements this year but in the government-wide statements in the year they were assessed	(250,115)
<b>Total Adjustment</b>	<b>\$427,784</b>

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**JONES COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the Fiscal Year Ended June 30, 2009

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**II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**A. SIGNIFICANT VIOLATIONS OF FINANCE-RELATED LEGAL AND CONTRACTUAL PROVISIONS**

**Noncompliance with North Carolina General Statutes**

In accordance with N.C. General Statute 159-32, the County is required to deposit collections and receipts daily when the moneys on hand amount to \$250. The County's Health Department had three instances in which moneys in excess of \$250 were held more than overnight. In the future, the Finance Department will monitor cash activities to ensure that moneys are deposited daily.

**B. DEFICIT FUND BALANCE OR NET ASSETS OF INDIVIDUAL FUNDS**

None noted.

**C. EXCESS OF EXPENDITURES OVER APPROPRIATIONS**

During the fiscal year ended June 30, 2009, the County reported the following expenditures that violated State law [G.S. 115C-441] because they exceeded the amounts appropriated in the budget ordinance. Management will monitor budgets closely in the future to avoid expenditures in excess of appropriations.

	<u>Budget</u>	<u>Expenditures</u>	<u>Over Expended</u>
General Fund			
Human Services			
Family Planning	\$69,099	\$69,191	\$92
Food Stamp - EBT	\$3,345	\$3,706	\$361
Supplemental Assistance	\$121,941	\$128,974	\$7,033
Medication Transportation Dialysis	\$290,000	\$300,322	\$10,322
Adoption Assistance	\$3,575	\$3,638	\$63
Property Revaluation Fund			
General Government			
Bank Charges		\$195	\$195
Courthouse Renovations Capital Projects Fund			
General Government			
Architectural Services	\$25,000	\$68,773	\$43,773
Miscellaneous	\$7,000	\$7,160	\$160
Water Capital Reserve Fund			
Admin. - Bank Charges		\$1,174	\$1,174
Rock Creek Water Capital Projects Fund			
Engineering	\$67,500	\$181,521	\$114,021
Inspection	\$40,000	\$40,406	\$406
Additional Services	\$4,500	\$10,349	\$5,849

**JONES COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the Fiscal Year Ended June 30, 2009

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**III. DETAIL NOTES ON ALL FUNDS**

**A. ASSETS**

**1. Deposits**

All of the County's and the ABC Board's deposits are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits exceeding the federal depository insurance coverage level are collateralized with securities held by the County's or the ABC Board's agents in these units' names. Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the County and the ABC Board, these deposits are considered to be held by their agents in the entities' names. The amount of the pledged collateral is based on an approved averaging method for non-interest bearing deposits and the actual current balance for interest-bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the County or the ABC Board or with the escrow agent. Because of the inability to measure the exact amount of collateral pledged for the County or the ABC Board under the Pooling Method, the potential exists for undercollateralization, and this risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method. The County has no formal policy regarding custodial credit risk for deposits.

The State Treasurer enforces standards of minimum capitalization for all pooling method financial institutions. The County relies on the State Treasurer to monitor those financial institutions. The County analyzes the financial soundness of any other financial institution used by the County. The County complies with the provisions of G.S. 159-31 when designating official depositories and verifying that deposits are properly secured. The ABC Board has no formal policy regarding custodial credit risk for deposits.

At June 30, 2009, the County's deposits had a carrying amount of \$1,207,927 and a bank balance of \$1,338,886. Of the bank balance, \$394,095 was covered by federal depository insurance and \$944,791 in interest bearing accounts were covered by collateral held under the Pooling Method.

At June 30, 2009, Jones County had \$1,300 cash on hand.

At June 30, 2009, the carrying amount of deposits for Jones County ABC Board was \$62,031 and the bank balance was \$70,563. All of the bank balance was covered by federal depository insurance. At June 30, 2009, the ABC Board had \$1,500 cash on hand.

**2. Investments**

At June 30, 2009, the County's investment balances were as follows:

	<b>Fair Value</b>
NC Capital Management Trust - Cash Portfolio	\$7,734,393
<b>Total Investments</b>	<b>\$7,734,393</b>

The County's investments in the NC Capital Management Trust Cash Portfolio carried a credit rating of AAAm by Standard & Poor's as of June 30, 2009. The County has no policy on credit risk.

At June 30, 2009, the ABC Board had no investments.

**JONES COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the Fiscal Year Ended June 30, 2009

**3. Property Tax - Use-Value Assessment on Certain Lands**

In accordance with the general statutes, agriculture, horticulture, and forestland may be taxed by the County at the present-use value as opposed to market value. When the property loses its eligibility for use-value taxation, the property tax is recomputed at market value for the current year and the three preceding fiscal years, along with the accrued interest from the original due date. This tax is immediately due and payable. The following are property taxes that could become due if present use-value eligibility is lost. These amounts have not been recorded in the financial statements.

<b>Year Levied</b>	<b>Tax</b>	<b>Interest</b>	<b>Total</b>
2008	\$596,842	\$34,318	\$631,160
2007	568,353	83,832	652,185
2006	533,546	126,717	660,263
2005	230,172	75,381	305,553
<b>Total</b>	<b>\$1,928,913</b>	<b>\$320,248</b>	<b>\$2,249,161</b>

**4. Receivables**

Receivables at the government-wide level at June 30, 2009, were as follows:

	<b>Accounts</b>	<b>Taxes and Related Accrued Interest</b>	<b>Due From Other Governments</b>	<b>Total</b>
<b>Governmental Activities:</b>				
General	\$145,246	\$600,861	\$534,129	\$1,280,236
Other Governmental	16,543		39,599	56,142
<b>Total Receivables</b>	<b>\$161,789</b>	<b>\$600,861</b>	<b>\$573,728</b>	<b>\$1,336,378</b>
Allowance for Doubtful Accounts	(24,500)	(16,500)		(41,000)
<b>Total Governmental Activities</b>	<b>\$137,289</b>	<b>\$584,361</b>	<b>\$573,728</b>	<b>\$1,295,378</b>
<b>Business-type Activities:</b>				
Water	\$174,826			\$174,826
<b>Total Receivables</b>	<b>\$174,826</b>	<b>\$0</b>	<b>\$0</b>	<b>\$174,826</b>
Allowance for Doubtful Accounts	(36,200)			(36,200)
<b>Total Business-type Activities</b>	<b>\$138,626</b>	<b>\$0</b>	<b>\$0</b>	<b>\$138,626</b>

The due from other governments that is owed to the County consists of the following:

Local option sales tax	\$259,402
Various Human Services Revenues	246,238
NC Dept of Crime Control & Public Safety	33,750
NCDENR - Middle School Demo	15,011
Scrap Tire	6,912
NC Dept of Commerce - CDBG	4,042
NC Dept of Corrections - CJPP	4,263
NC Dept of Administration - Veteran Affairs	2,000
Miscellaneous	2,110
	<b>\$573,728</b>



**JONES COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the Fiscal Year Ended June 30, 2009

Notes Receivable

The County has five loans from funds restricted for industrial development. The purpose of the loans is to increase the County tax base and create jobs. The subsequent repayments of these loans will likewise be restricted.

The first loan was made on October 18, 1999 to M&W Signs for \$100,000. M&W Signs manufactures and produces various types of signage and has used the proceeds to upgrade and expand its operations within the County. The terms of this loan call for monthly payments of \$740 for fifteen years, including interest at 4% after the first twelve months.

The second loan was made on October 26, 1999 to SRS for \$110,000. SRS manufactures wastewater treatment systems and small boats. The proceeds from the loan have been used to purchase 14 acres and five buildings in order to move the company operations from Lenoir County to Jones County. The terms of this loan call for monthly payments of \$848 for fifteen years including interest at 6%.

The third loan was made on April 5, 2002 to Blue Rock Structures for \$12,500. Blue Rock is an engineering construction firm and has used the proceeds to assist with the construction of an office within the County. The terms of the loan call for monthly payments of \$125 for ten years including interest at 3.75%.

The fourth loan was made on May 31, 2005 to Timeless Customs for \$50,000. Timeless Customs is an auto repair business and has used the proceeds to make repairs and improvements to the shop building. The terms of the loan call for 59 monthly payments of \$370 including interest at 4% with a balloon payment due May 1, 2010.

The fifth loan was made on January 24, 2007 to Selds, Inc. for \$40,000. Selds, Inc. is a military based microchip business and has used the proceeds to renovate their shop building. The terms of the loan call for 12 monthly interest payments followed by 48 monthly payments of \$453 which include principal and interest. Additionally, agreement calls for \$20,000 repayment upon sale of borrower's real property. The loan carries an interest rate of 4.125%.

The sixth loan was made on February 5, 2008 to Defense Holdings, Inc. Defense Holdings Inc. is a manufacturing business and has used the proceeds to construct their operating facility. The terms of the loan call for monthly payments of \$9,578 including interest of 4.80%. Additionally, the agreement calls for a \$34,400 buyout fee unless the note is paid in full on or before January 31, 2016.

The following summarizes the expected collection on these notes:

<b>Principal Amounts Due for the Year Ended June 30:</b>	<b>M&amp;W #1</b>	<b>SRS</b>	<b>BLUE ROCK</b>	<b>TIMELESS CUSTOMS</b>	<b>SELDS, INC.</b>	<b>DEFENSE HOLDINGS, INC.</b>	<b>TOTAL</b>
2010	\$10,200	\$7,562	\$1,148	\$39,006	\$4,148	\$61,297	\$123,361
2011	8,536	8,029	1,426		5,168	64,305	87,464
2012	3,947	8,524	1,230		3,566	67,460	84,727
2013		9,049				70,770	79,819
2014		9,608				74,243	83,851
2015 - 2019		4,174				429,572	433,746
2020 - 2024						377,689	377,689
	<b>\$22,683</b>	<b>\$46,946</b>	<b>\$3,804</b>	<b>\$39,006</b>	<b>\$12,882</b>	<b>\$1,145,336</b>	<b>\$1,270,657</b>

**JONES COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the Fiscal Year Ended June 30, 2009

Lease Agreement and Option to Purchase

County of Jones entered into a lease agreement and option to purchase with Meherrin Agricultural & Chemical Company on October 18, 2004 for the rental of the old Jones Apparel building. The terms of the contract call for monthly rent payments in the amount of \$3,204 for 60 months with a non-refundable option fee of \$6,400 for the option to purchase. The purchase price under this option to purchase will be \$231,931. At closing, all rental payments as well as the option fee will be credited towards the purchase price leaving a balance due of \$33,291. On December 11, 2007, Meherrin Agricultural & Chemical Company also submitted a bid deposit in the amount of \$1,000 to County of Jones for the purchase of the adjacent lot. On October 19, 2009, Meherrin Agricultural & Chemical Company exercised the option to purchase.

**5. Capital Assets**

Primary Government

Capital asset activity for the year ended June 30, 2009, was as follows:

	<b>Beginning Balances</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balances</b>
<b>Governmental Activities:</b>				
<b>Capital Assets Not Being Depreciated:</b>				
Land	\$385,899			\$385,899
Construction in Progress	45,811	\$565,262		611,073
Total Capital Assets Not Being Depreciated	<u>\$431,710</u>	<u>\$565,262</u>	<u>\$0</u>	<u>\$996,972</u>
<b>Capital Assets Being Depreciated:</b>				
Buildings	\$5,814,088	\$50,129	\$18,890	\$5,845,327
Infrastructure	152,235			152,235
Equipment	1,155,613	130,645	101,045	1,185,213
Total Capital Assets Being Depreciated	<u>\$7,121,936</u>	<u>\$180,774</u>	<u>\$119,935</u>	<u>\$7,182,775</u>
<b>Less Accumulated Depreciation for:</b>				
Buildings	\$1,300,304	\$143,539	\$16,764	\$1,427,079
Infrastructure	15,337	3,045		18,382
Equipment	869,692	89,370	94,058	865,004
Total Accumulated Depreciation	<u>\$2,185,333</u>	<u>\$235,954</u>	<u>\$110,822</u>	<u>\$2,310,465</u>
Total Capital Assets Being Depreciated, Net	<u>\$4,936,603</u>			<u>\$4,872,310</u>
<b>Governmental Activity Capital Assets, Net</b>	<u>\$5,368,313</u>			<u>\$5,869,282</u>

Depreciation expense was charged to function/programs of the primary government as follows:

General Government	\$84,243
Public Safety	42,306
Environmental Protection	7,674
Economic and Physical Development	36,017
Human Services	26,327
Cultural and Recreational	39,387
<b>Total Depreciation Expense</b>	<u>\$235,954</u>

**JONES COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the Fiscal Year Ended June 30, 2009

**5. Capital Assets (continued)**

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
<b><i>Business-type Activity:</i></b>				
Jones County Water Fund:				
<b>Capital Assets Not Being Depreciated:</b>				
Land	\$35,708			\$35,708
Construction in Progress	\$1,270,247	\$195,500	\$1,465,747	
<i>Total Capital Assets Not Being Depreciated</i>	<u>\$1,305,955</u>	<u>\$195,500</u>	<u>\$1,465,747</u>	<u>\$35,708</u>
<b>Capital Assets Being Depreciated:</b>				
Plant and Distribution Systems	\$8,805,357	\$1,482,598		\$10,287,955
Machinery and Equipment	52,375			52,375
Vehicles and Construction Equipment	340,459			340,459
<b>Total Assets Being Depreciated</b>	<u>\$9,198,191</u>	<u>\$1,482,598</u>	<u>\$0</u>	<u>\$10,680,789</u>
<b><i>Less Accumulated Depreciation for:</i></b>				
Plant and Distribution Systems	\$3,239,327	\$181,746		\$3,421,073
Machinery and Equipment	41,533	4,338		45,871
Vehicles and Construction Equipment	289,230	24,813		314,043
<b>Total Accumulated Depreciation</b>	<u>\$3,570,090</u>	<u>\$210,897</u>	<u>\$0</u>	<u>\$3,780,987</u>
<i>Total Capital Assets Being Depreciated, Net</i>	5,628,101			6,899,802
<b>Business-type Activity Capital Assets, Net</b>	<u>\$6,934,056</u>			<u>\$6,935,510</u>

Construction Commitments

The government has an active construction project as of June 30, 2009. The project is the Courthouse Renovations.

<u>Project</u>	<u>Spent-to-Date</u>	<u>Remaining Commitment</u>
Courthouse Renovations	\$502,732	\$96,281
	<u>\$502,732</u>	<u>\$96,281</u>

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**JONES COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the Fiscal Year Ended June 30, 2009

Discretely Presented Component Units

Activity for the ABC Board for the year ended June 30, 2009 was as follows:

	<b>Beginning Balances</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balances</b>
<b>Capital Assets Not Being Depreciated:</b>				
Land	\$15,073	\$0	\$0	\$15,073
<b>Capital Assets Being Depreciated:</b>				
Buildings	\$81,739			\$81,739
Furniture/Equipment	80,974	\$7,170	\$5,334	82,810
Vehicles	15,602			15,602
<b>Total Capital Assets Being Depreciated</b>	<b>\$178,315</b>	<b>\$7,170</b>	<b>\$5,334</b>	<b>\$180,151</b>
<b>Less Accumulated Depreciation For:</b>				
Buildings	\$66,648	\$1,353		\$68,001
Furniture/Equipment	72,926	2,485	\$5,334	70,077
Vehicles	15,602			15,602
<b>Total Capital Accumulated Depreciation</b>	<b>\$155,176</b>	<b>\$3,838</b>	<b>\$5,334</b>	<b>\$153,680</b>
<i>Total Capital Assets Being Depreciated, Net</i>	<b>\$23,139</b>			<b>\$26,471</b>
<b>Business-type Activity Capital Assets, Net</b>	<b>\$38,212</b>			<b>\$41,544</b>

**B. LIABILITIES**

**1. Payables**

Payables at the government-wide level at June 30, 2009, were as follows:

	<b>Vendors</b>	<b>Salaries and Benefits</b>	<b>Accrued Interest</b>	<b>Total</b>
<b>Governmental Activities:</b>				
General	\$495,602	\$29,772	\$15,920	\$541,294
Other Governmental	12,541			12,541
<b>Total Governmental Activities</b>	<b>\$508,143</b>	<b>\$29,772</b>	<b>\$15,920</b>	<b>\$553,835</b>
<b>Business-type Activities:</b>				
Water Fund	\$69,573	\$1,880		\$71,453
<b>Total Business-type Activities</b>	<b>\$69,573</b>	<b>\$1,880</b>	<b>\$0</b>	<b>\$71,453</b>

The amount of \$508,143 which comprises the General Vendors payables includes \$252,640 due to the N.C. Department of Corrections for medical services for County Safekeepers. As of the report date, the County had not paid the invoices due to lack of funds. The County has requested the State of North Carolina assume and pay the obligation pursuant to General Statute 162-39.

**JONES COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the Fiscal Year Ended June 30, 2009

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**2. Pension Plan Obligations**

**a. Local Governmental Employee's Retirement System**

*Plan Description.* Jones County and the ABC Board contribute to the statewide Local Governmental Employees' Retirement System (LGERS), a cost-sharing multiple-employer defined benefit pension plan administered by the State of North Carolina. LGERS provides retirement and disability benefits to plan members and beneficiaries. Article 3 of G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Local Governmental Employees' Retirement System is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410 or by calling (919) 981-5454.

*Funding Policy.* Plan members are required to contribute six percent of their annual covered salary. The County and the ABC Board are required to contribute at an actuarially determined rate. For the County, the current rate for employees not engaged in law enforcement and for law enforcement officers is 4.97% and 4.86%, respectively, of annual covered payroll. For the ABC Board, the current rate for employees not engaged in law enforcement is 5.61% of annual covered payroll. The contribution requirements of members and of the County and the ABC Board are established and may be amended by the North Carolina General Assembly. The County's contributions to LGERS for the years ended June 30, 2009, 2008, and 2007 were \$169,198, \$159,680, and \$146,778, respectively. The ABC Board's contributions to LGERS for the years ended June 30, 2009, 2008, and 2007 were \$4,048, \$4,029, and \$4,172, respectively. The contributions made by the County and the ABC Board equaled the required contributions for each year.

**b. Law Enforcement Officers' Special Separation Allowance**

**1. Plan Description**

Jones County administers a public employee retirement system (*Separation Allowance*), a single-employer defined benefit pension plan that provides retirement benefits to the County's qualified sworn law enforcement officers. The Separation Allowance is equal to .85% of the annual equivalent of the base rate of compensation most recently applicable to the officer for each year of creditable service. The retirement benefits are not subject to any increases in salary or retirement allowances that may be authorized by the General Assembly. Article 12D of G.S. Chapter 143 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly.

The Separation Allowance covers all full-time County law enforcement officers. At December 31, 2008, the Separation Allowance's membership consisted of:

Retirees Receiving Benefits	0
Active Plan Members	13
<b>Total</b>	<b>13</b>

**2. Summary of Significant Accounting Policies:**

*Basis of Accounting.* The County has chosen to fund the Separation Allowance on a pay-as-you-go basis. Pension expenditures are made from the General Fund, which is maintained on the modified accrual basis of accounting.

*Method Used to Value Investments.* No funds are set aside to pay benefits and administration costs. These expenditures are paid as they come due.

**JONES COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the Fiscal Year Ended June 30, 2009

3. Contributions

The County is required by Article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the amounts necessary to cover the benefits earned on a pay-as-you-go basis through appropriations made in the General Fund operating budget. For the current year, the County contributed \$0, or 0% of annual covered payroll. The County's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. There were no contributions made by employees.

The annual required contribution for the current year was determined as part of the December 31, 2008 actuarial valuation using the projected unit credit actuarial cost method. The actuarial assumptions included (a) 7.25% investment rate of return (net of administrative expenses) and (b) projected salary increases of 4.5% to 12.3% per year. Both (a) and (b) included an inflation component of 3.75%. The assumptions did not include post retirement benefit increases. The remaining amortization period at December 31, 2008 was 22 years.

*Annual Pension Cost and Net Pension Obligation.* The County's annual pension cost and net pension obligation to the Separation Allowance for the current year were as follows:

Annual Required Contribution	\$2,008
Interest on Net Pension Obligation	573
Adjustment to Annual Required Contribution	(500)
<b>Annual Pension Cost</b>	<b>\$2,081</b>
Contributions Made	0
<b>Increase (Decrease) in Net Pension Obligation</b>	<b>\$2,081</b>
Net Pension Obligation - Beginning of Year	7,907
<b>Net Pension Obligation - End of Year</b>	<b>\$9,988</b>

**3 YEAR TREND INFORMATION**

<b>Fiscal Year Ended</b>	<b>Annual Pension Cost (APC)</b>	<b>Percentage of APC Contributed</b>	<b>Net Pension Obligation</b>
June 30, 2007	3,464	0%	4,028
June 30, 2008	3,879	0%	7,907
June 30, 2009	2,081	0%	9,988

4. Funded Status and Funding Progress

As of December 31, 2008, the most recent actuarial valuation date, the plan was 0% funded. The actuarial accrued liability for benefits was \$11,088, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$11,088. The covered payroll (annual payroll of active employees covered by the plan) was \$431,765, and the ratio of the UAAL to the covered payroll was 2.57 percent.

c. Supplemental Retirement Income Plan for Law Enforcement Officers

*Plan Description.* The County contributes to the Supplemental Retirement Income Plan (Plan), a defined contribution pension plan administered by the Department of State Treasurer and a Board of Trustees. The Plan provides retirement benefits to law enforcement officers employed by the County. Article 5 of

**JONES COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the Fiscal Year Ended June 30, 2009

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G.S. Chapter 135 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Supplemental Retirement Income Plan for Law Enforcement Officers is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes the pension trust fund financial statements for the Internal Revenue Code Section 401(k) plan that includes the Supplemental Retirement Income Plan for Law Enforcement Officers. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

*Funding Policy.* Article 12E of G.S. Chapter 143 requires the County to contribute each month an amount equal to five percent of each officer's salary, and all amounts contributed are vested immediately. Also, the law enforcement officers may make voluntary contributions to the Plan. Contributions for the year ended June 30, 2009 were \$38,436, which consisted of \$17,382 from the County and \$21,054 from the law enforcement officers.

d. **Registers of Deeds' Supplemental Pension Fund**

*Plan Description.* Jones County also contributes to the Registers of Deeds' Supplemental Pension Fund (*Fund*), a noncontributory, defined contribution pension plan administered by the North Carolina Department of State Treasurer. The Fund provides supplemental pension benefits to any eligible county register of deeds who is retired under the Local Government Employees' Retirement System (LGERS) or an equivalent locally sponsored plan. Article 3 of G.S. Chapter 161 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Registers of Deeds' Supplemental Pension Fund is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for the Registers of Deeds' Supplemental Pension Fund. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

*Funding Policy.* On a monthly basis, the County remits to the Department of State Treasurer an amount equal to one and one-half percent (1.5%) of the monthly receipts collected pursuant to Article 3 of G.S. 161. Immediately following January 1 of each year, the Department of State Treasurer divides ninety-three percent (93%) of the amount in the Fund at the end of the preceding calendar year into equal shares to be disbursed as monthly benefits. The remaining seven percent (7%) of the Fund's assets may be used by the State Treasurer in administering the Fund. For the fiscal year ended June 30, 2009, the County's required and actual contributions were \$632.

e. **Other Employment Benefits**

The County has elected to provide death benefits to employees through the Death Benefit Plan for members of the Local Government Employees' Retirement System (Death Benefit Plan), a multiple-employer, State-administered, cost-sharing plan funded on a one-year term cost basis. The beneficiaries of those employees who die in active service after one year of contributing membership in the System, or who die within 180 days after retirement or termination of service and have at least one year of contributing membership service in the System at the time of death are eligible for death benefits. Lump sum death benefit payments to beneficiaries are equal to the employee's 12 highest months salary in a row during the 24 months prior to the employee's death, but the benefit will be a minimum of \$25,000 and will not exceed \$50,000. All death benefit payments are made from the Death Benefit Plan. The contributions to the Death Benefit Plan cannot be separated between the post employment benefit amount and the other benefit amount. The County considers these contributions to be immaterial.

**JONES COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the Fiscal Year Ended June 30, 2009

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**3. Deferred/Unearned Revenues**

The balance in deferred or unearned revenues on the fund statements and unearned revenues on the government-wide statements at year-end is composed of the following elements:

	<b>Deferred Revenue</b>	<b>Unearned Revenue</b>
Prepaid Property Taxes Not Yet Earned (General)		\$41,622
Taxes Receivable, Net (General), less penalties	\$511,428	
EMS Receivables, Net	67,142	
Solid Waste Receivables, Net	290	
Other Receivables Not Available at Year End	130,736	
<b>Total</b>	<b>\$709,596</b>	<b>\$41,622</b>

**4. Risk Management**

The County is exposed to various risks of losses related to torts; theft of; damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County participates in three self-funded risk financing pools administered by the North Carolina Association of County Commissioners. Through these pools, the County obtains property coverage equal to replacement cost values of owned property subject to a limit of \$125.5 million for any one occurrence, general, auto, professional, and employment practices liability coverage of \$2 million per occurrence, auto physical damage coverage for owned autos at actual cash value, crime coverage of \$250,000 per occurrence, workers' compensation coverage up to the statutory limits, and health and dental insurance for County employees. The pools are audited annually by certified public accountants, and the audited financial statements are available to the County upon request. Two of the pools are reinsured through a multi-state public entity captive for single occurrence losses in excess of \$500,000 up to a \$2 million limit for liability coverage, \$600,000 of aggregate annual losses in excess of \$50,000 per occurrence for property, auto physical damage, and crime coverage, and single occurrence losses of \$350,000 for workers' compensation. For health and dental insurance, the County is reinsured through the Pool for individual losses in excess of \$50,000 and aggregate annual losses in excess of 115% of expected claims. The pool is reinsured through commercial carrier for individual losses in excess of \$100,000.

The County carries flood insurance through the North Carolina Association of County Commissioners (NCACC). Because the County is in an area of the State that has been mapped and designated an "X" area (all other mapped areas) by the Federal Emergency Management Agency, the County is eligible to purchase coverage of \$500,000 per structure through the NFIP, but can also purchase private coverage. The County's insurance policy provides limited flood coverage in areas outside of the 100-year flood zones and is subject to a per occurrence deductible of \$25,000. Property located in the 100-year flood zone, as designated by FEMA, is excluded from coverage. The County has two properties located inside this area. The County has decided not to pursue further insurance coverage for these two properties.

In accordance with G.S. 159-29, the County's employees that have access to \$100 or more at any given time of the County's funds are performance bonded through a commercial surety bond. The County Manager, Finance Officer, and Assistant Finance Officer are individually bonded for \$50,000 each. The Tax Collector is bonded for \$20,000. The Sheriff and Register of Deeds are individually bonded for \$10,000 each.

The County carries commercial coverage for all other risks of loss. There have been no significant reductions in insurance coverage from the previous year and settled claims have not exceeded coverage in any of the past three fiscal years.

Jones County ABC Board is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The Board has property, general liability, auto liability, workers' compensation, and employee health coverage. The Board also has liquor legal liability coverage. There have been no significant reductions in insurance coverage from the previous year and settled claims have not exceeded coverage in any of the past three fiscal years.



**JONES COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**5. Long-Term Obligations**

**a. Notes Payable/Installment Obligations**

1. On April 13, 2004, the County entered into an agreement to borrow \$2,200,000 from Branch Banking and Trust (BB&T) for the purpose of constructing a county office complex in the Industrial Park located within the county. The County was awarded a \$1,500,000 loan and a \$700,000 grant from the US Department of Agriculture and Rural Development. This funding was used to pay the obligation to BB&T. The USDA obligation calls for forty annual payments of \$78,630 beginning on April 11, 2006 and ending on April 11, 2045. The obligation carries an interest rate of 4.25% and the June 30, 2009 balance was \$1,436,181.

During the Year Ending June 30,	Principal	Interest	Total
2010	\$17,575	\$61,055	\$78,630
2011	18,322	60,308	78,630
2012	19,101	59,529	78,630
2013	19,913	58,717	78,630
2014 - 2018	113,002	280,148	393,150
2019 - 2023	139,144	254,006	393,150
2024 - 2028	171,335	221,815	393,150
2029 - 2033	210,973	182,177	393,150
2034 - 2038	259,782	133,368	393,150
2039 - 2043	319,880	73,270	393,150
2044 - 2045	147,154	9,466	156,620
	<b>\$1,436,181</b>	<b>\$1,393,859</b>	<b>\$2,830,040</b>

2. On April 12, 2007, the County entered into a financing agreement with North Carolina's Eastern Region Development Commission for the purpose of constructing a building in the Industrial Park in Jones County. The County borrowed \$250,000 and the agreement calls for one payment of accrued interest in the amount of \$10,313, then 14 annual payments of \$23,938. The agreement carries a 4.125% interest rate. The June 30, 2009 balance was \$236,374.

During the Year Ending June 30,	Principal	Interest	Total
2010	\$14,188	\$9,750	\$23,938
2011	14,773	9,165	23,938
2012	15,382	8,556	23,938
2013	16,017	7,921	23,938
2014 - 2018	90,558	29,134	119,692
2019 - 2022	85,456	8,908	94,364
	<b>\$236,374</b>	<b>\$73,434</b>	<b>\$309,808</b>

**JONES COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the Fiscal Year Ended June 30, 2009

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3. On April 18, 2007, the County entered into a financing agreement with Jones – Onslow Electric Membership Corporation for the purpose of constructing a building in the Industrial Park in Jones County. The County borrowed \$640,000 and the agreement calls for 120 monthly payments beginning August 1, 2009 and carries no stated interest rate. The June 30, 2009 balance was \$535,179.

During the Year Ending June 30,	Principal	Interest	Total
2010	\$81,071		\$81,071
2011	81,071		81,071
2012	81,071		81,071
2013	81,071		81,071
2014 - 2017	210,895		210,895
	<b>\$535,179</b>	<b>\$0</b>	<b>\$535,179</b>

4. On June 20, 2006, the County entered into a financing agreement with the US Department of Agriculture (USDA) for the purpose of constructing a water tank in the Rock Creek area. The County borrowed \$500,000 and the agreement calls for 40 annual payments of \$26,950. The agreement carries a 4.375% interest rate. The June 30, 2009 balance was \$500,000.

During the Year Ending June 30,	Principal	Interest	Total
2010	\$4,771	\$22,179	\$26,950
2011	5,284	21,666	26,950
2012	5,515	21,435	26,950
2013	5,756	21,194	26,950
2014 - 2018	32,786	101,964	134,750
2019 - 2023	40,614	94,136	134,750
2024 - 2028	50,310	84,440	134,750
2029 - 2033	62,321	72,429	134,750
2034 - 2038	77,200	57,550	134,750
2039 - 2043	95,632	39,118	134,750
2044 - 2049	119,811	16,346	136,157
	<b>\$500,000</b>	<b>\$552,457</b>	<b>\$1,052,457</b>

**JONES COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the Fiscal Year Ended June 30, 2009

b. **Capital Lease**

The County has entered into an agreement to lease Register of Deeds computer equipment. The lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of the future minimum lease payments as of the date of inception. The agreement was originally executed in July of 2001. On May 21, 2003 and January 27, 2006, this lease was modified and some equipment was changed out and updated. This lease was again modified on October 15, 2008 and some equipment was changed out and updated. Present terms require 5 annual payments of \$3,698 beginning on July 15, 2009.

At June 30, 2009, the County leased equipment valued at:

<b>Classes of Property</b>	<b>Cost</b>	<b>Accumulated Depreciation</b>	<b>Net Book Value</b>
Equipment	\$28,470	\$3,796	\$24,674

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2009 were as follows:

<b>Year Ending June 30</b>	
2010	\$3,698
2011	3,698
2012	3,698
2013	3,698
2014	3,698
<b>Total minimum lease payments</b>	<b>\$18,490</b>
Less: Amount representing interest	1,760
<b>Present value of the minimum lease payments</b>	<b>\$16,730</b>

c. **General Obligation Indebtedness**

Qualified Zone Academy bonds (QZAB) issued on August 22, 2002 under Internal Revenue Code Section 1397E; due serially to 2019 with no interest; collateralized by real estate, including a school building.

**\$532,184**

<b>During the Year Ending June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2010	\$50,412		\$50,412
2011	50,412		50,412
2012	50,412		50,412
2013	50,412		50,412
2014 - 2018	252,060		252,060
2019	78,476		78,476
	<b>\$532,184</b>	<b>\$0</b>	<b>\$532,184</b>

**JONES COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the Fiscal Year Ended June 30, 2009

d. **Long-term Obligation Activity**

The following is a summary of changes in the County's long-term obligations for the fiscal year ended June 30, 2009:

	Beginning Balances	Increases	Decreases	Ending Balances	Current Portion of Balance
<b>Governmental Activities:</b>					
Capitalized Leases	\$10,173	\$16,730	\$10,173	\$16,730	\$3,224
USDA Loan	1,453,056		16,875	1,436,181	17,575
Qualified Zone Academy Bonds	582,596		50,412	532,184	50,412
Eastern Region Loan	250,000		13,626	236,374	14,188
Jones-Onslow EMC Loan	600,000		64,821	535,179	81,071
Net Pension Obligation	7,907	2,081		9,988	
Compensated Absences	236,997	166,943	157,457	246,483	
<b>Total Governmental Activities</b>	<b>\$3,140,729</b>	<b>\$185,754</b>	<b>\$313,364</b>	<b>\$3,013,119</b>	<b>\$166,470</b>
<b>Business-type Activity:</b>					
USDA Loan	\$500,000			\$500,000	\$4,771
Compensated Absences	19,319	\$10,025	\$10,048	19,296	
<b>Total</b>	<b>\$519,319</b>	<b>\$10,025</b>	<b>\$10,048</b>	<b>\$519,296</b>	<b>\$4,771</b>

Compensated absences for governmental activities typically have been liquidated in the general fund and are accounted for on a LIFO basis, assuming that employees are taking leave time as it is earned.

**C. INTERFUND BALANCES AND ACTIVITY**

The composition of interfund balances at June 30, 2009 are as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Water Enterprise Fund	\$50
		<b>\$50</b>

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**JONES COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the Fiscal Year Ended June 30, 2009

Transfers to/from other funds for the year ended June 30, 2009 consists of the following:

	<b>TRANSFERS</b>	
	<b>FROM</b>	<b>TO</b>
<b>Operating Transfers From / To Other Funds</b>		
<b>General Fund:</b>		
Special Revenue Fund		\$43,384
Capital Projects Fund	\$191,702	
Enterprise Fund	65,000	
<b>Special Revenue Fund:</b>		
General Fund	43,384	
<b>Capital Projects Fund:</b>		
General Fund		191,702
<b>Enterprise Fund:</b>		
General Fund		65,000
<b>Total Operating Transfers</b>	<b>\$300,086</b>	<b>\$300,086</b>

**IV. FUND BALANCES RESERVED FOR SPECIFIC EXPENDITURES IS MADE UP OF THE FOLLOWING:**

<b>General Fund:</b>	
School Capital Outlay	\$1,405,392
Civic Center	31,812
Fire District Tax - Township #7	965
Transportation	109,359
Senior Transportation Fees	6,117
Health Department	348,686
<b>Total</b>	<b>\$1,902,331</b>

**V. FUND BALANCES DESIGNATED FOR FUTURE PROJECTS IS MADE UP OF THE FOLLOWING:**

<b>General Fund:</b>	
Community (Economic) Development	\$802,595
Social Services Long-Term Screening	125,967
Facility Fees	127,008
Soil Conservation	10,163
White Goods	29,290
<b>Total</b>	<b>\$1,095,023</b>

**JONES COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the Fiscal Year Ended June 30, 2009

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**VI. JOINT VENTURES**

The County participates in a joint venture to operate Neuse Regional Library with three other local governments. Jones County appoints three board members to the twelve member board of the Library. The County has an ongoing financial responsibility for the joint venture because the Library's continued existence depends on the participating governments' continued funding. None of the participating governments have any equity interest in the Library, so no equity interest has been reflected in the financial statements at June 30, 2008. In accordance with the intergovernmental agreement between the participating governments, the County appropriated \$113,112 to the Library to supplement its activities. Complete financial statements for the Library can be obtained from the Library's offices at 510 N. Queen Street, Kinston, NC, 28501.

The County in conjunction with the State of North Carolina and three other local governments participates in a joint venture to operate the Lenoir County Community College. The County appoints two members of the sixteen member Board of Trustees of the Community College. The president of the community college's student government serves as an ex officio nonvoting member of the community college's board of trustees. The community college is included as a component unit of the State. The County has the basic responsibility for providing funding for the facilities of the Jones County division of the community college and also provides some financial support for the community college's operations. The County has an ongoing financial responsibility for the community college because of the statutory responsibilities to provide funding for the community college's facilities. The County contributed \$58,436 and \$50,000 to the community college for operating and capital purposes, respectively, during the fiscal year ended June 30, 2009. The participating governments do not have any equity interest in the joint venture; therefore, no equity interest has been reflected in the County's financial statements at June 30, 2009. Complete financial statements for the community college may be obtained from the community college's administrative offices at PO Box 188, Hwy 70 and 58, NC 28502.

The County, in conjunction with three other local governments, participates in a joint venture to operate the Neuse Center for Mental Health. Jones County appoints one member of the seventeen member board. The County has an ongoing financial responsibility for the Center because of the statutory responsibilities to provide funding for the Center's services. The County contributed \$31,264 for the operation of the Center during the fiscal year ended June 30, 2009. The participating governments do not have any equity interest in the joint venture; therefore, no equity interest has been reflected in the County's financial statements at June 30, 2009. Complete financial statements for the Center can be obtained from the Neuse Center for Mental Health's administrative offices at 405 Middle Street, City of New Bern, NC 28563.

**VII. JOINTLY GOVERNED ORGANIZATIONS**

Eastern Carolina Housing Authority

The County, in conjunction with ten (10) other counties, has established the Eastern Carolina Housing Authority (*Authority*). The participating governments established the council to provide housing for low income individuals and families. Each participating government appoints one member to the Authority's governing board.

Global TransPark Development Commission

The Global TransPark Development Commission (*Commission*) is a corporate body created on November 29, 1993. Its purpose is to allow participating counties, including Jones County, which have the potential to derive direct economic benefits from the North Carolina Global TransPark to create a special economic development district, known as the Global TransPark Development Zone. The Commissions' primary responsibility is to promote and encourage economic development within the territorial jurisdiction of the Zone by fostering development projects to provide land, buildings, facilities, programs, information and data systems, and infrastructure requirements for business and industry in the Global TransPark Development Zone.

The Commission is governed by nineteen voting members, consisting of one member from Jones County and each of the twelve other participating counties, and two members each appointed by the Senate, the Governor, and the House of Representatives. The Board of County Commissioners of the respective counties appoints the voting members from each of the counties.

**JONES COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the Fiscal Year Ended June 30, 2009

The Commission is responsible for a nonexpendable trust fund consisting of an initial State appropriation of \$7.5 million and 85% of the quarterly distributions of the \$5 motor vehicle license fees collected by the North Carolina Department of Transportation. The motor vehicle tax was adopted by the legislature and the participating counties and was collected for a period of five years. The principal balance of the trust funds is nonexpendable and will revolve as loans are made and repaid to the Commission. At June 30, 2009, the portion of the trust available to be loaned exclusively to Jones County was \$514,861.

**VIII. BENEFIT PAYMENTS ISSUED BY THE STATE**

The amounts listed below were paid directly to individual recipients by the State from federal and State moneys. County personnel are involved with certain functions, primarily eligibility determinations that cause benefit payments to be issued by the State. These amounts disclose this additional aid to County recipients that do not appear in the general purpose financial statements because they are not revenues and expenditures of the County.

	<u>Federal</u>	<u>State</u>
Medicaid	\$11,730,868	\$4,731,493
Food Stamp Program	1,699,559	
Temporary Assistance For Needy Families	64,466	
WIC	148,599	
Supplemental Assistance		121,245
Energy Assistance	69,267	
Foster Care	216	35
Adoption Assistance	12,969	2,406
Adoption Subsidy		13,488
<b>Total</b>	<u><u>\$13,725,944</u></u>	<u><u>\$4,868,667</u></u>

**IX. SUMMARY DISCLOSURE OF SIGNIFICANT COMMITMENTS AND CONTINGENCIES**

**FEDERAL AND STATE ASSISTED PROGRAMS**

The County has received proceeds from several federal and State grants. Periodic audits of these grants are required and certain costs may be questioned as not being appropriate expenditures under the grant agreements. Such audits could result in the refund of grant moneys to the grantor agencies. Management believes that any required refunds will be immaterial. No provision has been made in the accompanying financial statements for the refund of grant moneys.

## **REQUIRED SUPPLEMENTAL FINANCIAL DATA**

**This section contains additional information required by generally accepted accounting principles.**

- **Schedule of Funding Progress for the Law Enforcement Officers' Special Separation Allowance.**
- **Schedule of Employer Contributions for the Law Enforcement Officers' Special Separation Allowance.**
- **Notes to the Required Schedules for the Law Enforcement Officers' Special Separation Allowance.**



**JONES COUNTY, NORTH CAROLINA**  
**LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE**  
**SCHEDULE OF FUNDING PROGRESS**  
June 30, 2009

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued		Fund Ratio (a / b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((b-a) / c)
		Liability (AAL) Projected Unit Credit (b)	Unfunded AAL (UAAL) (b - a)			
12/31/97	\$0	\$31,737	\$31,737	0.00%	\$180,636	17.57%
12/31/98	0	23,650	23,650	0.00%	182,652	12.95%
12/31/99	0	23,898	23,898	0.00%	205,011	11.66%
12/31/00	0	20,704	20,704	0.00%	222,168	9.32%
12/31/01	0	20,801	20,801	0.00%	252,460	8.24%
12/31/02	0	42,508	42,508	0.00%	267,671	15.88%
12/31/03	0	32,716	32,716	0.00%	220,844	14.81%
12/31/04	0	28,538	28,538	0.00%	205,482	13.89%
12/31/05	0	19,162	19,162	0.00%	251,565	7.62%
12/31/06	0	20,139	20,139	0.00%	286,899	7.02%
12/31/07	0	4,154	4,154	0.00%	298,905	1.39%
12/31/08	0	11,088	11,088	0.00%	431,765	2.57%

**JONES COUNTY, NORTH CAROLINA**  
**LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE**  
**SCHEDULE OF EMPLOYER CONTRIBUTIONS**  
June 30, 2009

<u>Year Ending June 30</u>	<u>Annual Required Contributions</u>	<u>Percentage Contributed</u>
1998	\$4,824	177%
1999	4,275	200%
2000	3,557	293%
2001	4,166	148%
2002	3,389	69%
2003	4,003	0%
2004	6,076	0%
2005	5,375	0%
2006	4,855	0%
2007	3,464	0%
2008	3,879	0%
2009	2,081	0%

***Notes to the Required Schedules:***

The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation follows.

Valuation Date	12/31/08
Actuarial Cost Method	Projected Unit Credit
Amortization Method	Level Percent of Pay Closed
Remaining Amortization Period	22 Years
Asset Valuation Method	Market Value

***Actuarial Assumptions:***

Investment Rate of Return	7.25%
Projected Salary Increases	4.5% to 12.3%
Includes Inflation At	3.75%
Cost-of-Living Adjustments	N/A

**SUPPLEMENTARY INFORMATION**  
**Combining and Individual Fund Financial Statements and Schedules**

**JONES COUNTY, NORTH CAROLINA  
GENERAL FUND**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
For The Fiscal Year Ended June 30, 2009**

	Budget	2009 Actual	Variance Favorable (Unfavorable)
<b>REVENUES:</b>			
<b>Ad Valorem Taxes:</b>			
Taxes	\$4,806,085	\$4,940,225	\$134,140
Penalties and Interest	40,000	46,842	6,842
<b>Total Ad Valorem Taxes</b>	<b>\$4,846,085</b>	<b>\$4,987,067</b>	<b>\$140,982</b>
<b>Local Option Sales Taxes:</b>			
Articles 39, 40, 42 and 44	<b>\$1,265,850</b>	<b>\$1,442,832</b>	<b>\$176,982</b>
<b>Other Taxes and Licenses:</b>			
Real Estate Transfer Tax	\$35,000	\$38,565	\$3,565
Federal Excise Tax	20,400		(20,400)
Scrap Tire Disposal Tax	15,000	18,293	3,293
Solid Waste Disposal Tax	5,000	3,150	(1,850)
<b>Total Other Taxes and Licenses</b>	<b>\$75,400</b>	<b>\$60,008</b>	<b>(\$15,392)</b>
<b>Unrestricted Intergovernmental Revenue:</b>			
Payments in Lieu of Taxes	\$74,000	\$128,325	\$54,325
Beer & Wine Tax	39,600	39,628	28
<b>Total Unrestricted Intergovernmental Revenue</b>	<b>\$113,600</b>	<b>\$167,953</b>	<b>\$54,353</b>
<b>Restricted Intergovernmental Revenue:</b>			
State and Federal Grants	\$3,325,561	\$3,744,935	\$419,374
Court Facilities Fees	40,000	44,654	4,654
ABC - 5 cent Bottle Tax	3,850	3,432	(418)
ABC - 1 cent Bottle Tax	150	161	11
Correction and Rehab Center Grant	58,613	70,833	12,220
Juvenile Justice and Delinquency	91,153	87,431	(3,722)
Veterans Commission	2,000	2,000	
Child Abuse	180	140	(40)
Domestic Violence	480	560	80
Inmate Food Reimbursement	5,000	5,671	671
National Forest Receipts/Schools	34,000	75,399	41,399
DWI/Safe Roads Act	1,650	1,683	33
Bates Foundation Grant	32,897		(32,897)
Emergency Management	17,073	17,073	
Soil Conservation	40,255	38,842	(1,413)
GTP Grant		9,322	9,322
Recreation Donations	550	800	250
<b>Total Restricted Intergovernmental Revenue</b>	<b>\$3,653,412</b>	<b>\$4,102,936</b>	<b>\$449,524</b>

## JONES COUNTY, NORTH CAROLINA

## GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
For The Fiscal Year Ended June 30, 2009

	Budget	2009 Actual	Variance Favorable (Unfavorable)
<b>Permits and Fees:</b>			
Beer & Wine	\$400		(\$400)
Concealed/Handgun Permits	7,300	\$7,230	(70)
Building and Other Permits and Fees	86,372	92,514	6,142
Register of Deeds	48,000	41,721	(6,279)
Marriage Licenses	500	700	200
Franchise - Cable TV	15,000	9,538	(5,462)
<b>Total Permits &amp; Fees</b>	<b>\$157,572</b>	<b>\$151,703</b>	<b>(\$5,869)</b>
<b>Sales and Services:</b>			
Jail and Officer Fees	\$26,550	\$31,661	\$5,111
EMS Fees	288,974	304,651	15,677
Trash Fees	47,500	47,924	424
Town Tax Billings & Collection	9,725	12,261	2,536
Vending Machines	700	895	195
Solid Waste/Recycling	52,500	39,412	(13,088)
<b>Total Sales &amp; Services</b>	<b>\$425,949</b>	<b>\$436,804</b>	<b>\$10,855</b>
<b>Total Investment Earnings</b>	<b>\$268,691</b>	<b>\$170,621</b>	<b>(\$98,070)</b>
<b>Other Revenues:</b>			
Rent - Economic Development	\$19,200	\$110,329	\$91,129
Civic Center Rent	19,500	19,173	(327)
Probation Office Rent	1,760	1,760	
FSA Rent	4,480	4,107	(373)
Incubator Building Rent	2,550	2,584	34
Gasoline Tax Refund	100	210	110
Goshen Medical Clinic	83,060	168,885	85,825
Other	125,515	109,742	(15,773)
<b>Total Other Revenues</b>	<b>\$256,165</b>	<b>\$416,790</b>	<b>\$160,625</b>
<b>TOTAL REVENUES</b>	<b>\$11,062,724</b>	<b>\$11,936,714</b>	<b>\$873,990</b>

## JONES COUNTY, NORTH CAROLINA

## GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
For The Fiscal Year Ended June 30, 2009

	Budget	2009 Actual	Variance Favorable (Unfavorable)
<b>EXPENDITURES:</b>			
<b>General Government:</b>			
<b>Governing Body:</b>			
Salaries & Employee Benefits	\$58,090	\$57,326	\$764
Operating Expenses	30,000	27,495	2,505
Insurance Other Than Property	167,724	161,273	6,451
<b>Total</b>	<b>\$255,814</b>	<b>\$246,094</b>	<b>\$9,720</b>
<b>Elections:</b>			
Salaries & Employee Benefits	\$57,209	\$53,208	\$4,001
Operating Expenses	33,880	13,193	20,687
<b>Total</b>	<b>\$91,089</b>	<b>\$66,401</b>	<b>\$24,688</b>
<b>Finance:</b>			
Salaries & Employee Benefits	\$175,748	\$156,818	\$18,930
Operating Expenses	52,163	44,329	7,834
<b>Total</b>	<b>\$227,911</b>	<b>\$201,147</b>	<b>\$26,764</b>
<b>Taxes:</b>			
Salaries & Employee Benefits	\$226,186	\$215,787	\$10,399
Operating Expenses	44,066	39,959	4,107
<b>Total</b>	<b>\$270,252</b>	<b>\$255,746</b>	<b>\$14,506</b>
<b>Legal:</b>			
Contracted Services	\$69,500	\$66,928	\$2,572
<b>Jury Commission:</b>			
Operating Expenses	\$710	\$706	\$4
<b>Total</b>	<b>\$710</b>	<b>\$706</b>	<b>\$4</b>
<b>Register of Deeds:</b>			
Salaries & Employee Benefits	\$83,464	\$81,588	\$1,876
Operating Expenses	55,770	39,572	16,198
<b>Total</b>	<b>\$139,234</b>	<b>\$121,160</b>	<b>\$18,074</b>
<b>Public Buildings:</b>			
Salaries & Employee Benefits	\$162,636	\$144,202	\$18,434
Operating Expenses	148,148	139,318	8,830
Building Improvement	50,000	48,544	1,456
<b>Total</b>	<b>\$360,784</b>	<b>\$332,064</b>	<b>\$28,720</b>

## JONES COUNTY, NORTH CAROLINA

## GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
For The Fiscal Year Ended June 30, 2009

	Budget	2009 Actual	Variance Favorable (Unfavorable)
<b>Court Facilities:</b>			
Operating Expenses	\$15,398	\$12,453	\$2,945
<b>Administration:</b>			
Salaries & Employee Benefits	\$129,319	\$127,907	\$1,412
Operating Expenses	20,119	13,336	6,783
<b>Total</b>	<b>\$149,438</b>	<b>\$141,243</b>	<b>\$8,195</b>
<b>Computer:</b>			
Operating Expenses	\$76,547	\$61,819	\$14,728
<b>Total</b>	<b>\$76,547</b>	<b>\$61,819</b>	<b>\$14,728</b>
<b>TOTAL GENERAL GOVERNMENT</b>	<b>\$1,656,677</b>	<b>\$1,505,761</b>	<b>\$150,916</b>
<b>Public Safety:</b>			
<b>Sheriff's Department:</b>			
Salaries & Employee Benefits	\$900,527	\$858,633	\$41,894
Operating Expenses	236,683	217,705	18,978
Capital	47,935	44,810	3,125
<b>Total</b>	<b>\$1,185,145</b>	<b>\$1,121,148</b>	<b>\$63,997</b>
<b>County Jail:</b>			
Salaries & Employee Benefits	\$47,307	\$41,049	\$6,258
Operating Expenses	641,445	605,760	35,685
<b>Total</b>	<b>\$688,752</b>	<b>\$646,809</b>	<b>\$41,943</b>
<b>Inspections:</b>			
Salaries & Employee Benefits	\$101,951	\$100,705	\$1,246
Operating Expenses	20,478	16,600	3,878
<b>Total</b>	<b>\$122,429</b>	<b>\$117,305</b>	<b>\$5,124</b>
<b>Correction/Rehab Center:</b>			
Operating Expenses	\$59,113	\$58,883	\$230
<b>Total</b>			
<b>Emergency Services:</b>			
Salaries & Employee Benefits	\$274,972	\$270,649	\$4,323
Operating Expenses	238,455	224,259	14,196
Aid to Local Fire Department	48,595	48,595	
Aid to Local Rescue Squads	40,110	40,110	
Capital	38,000	37,716	284
<b>Total</b>	<b>\$640,132</b>	<b>\$621,329</b>	<b>\$18,803</b>

## JONES COUNTY, NORTH CAROLINA

## GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
For The Fiscal Year Ended June 30, 2009

	Budget	2009 Actual	Variance Favorable (Unfavorable)
<b>Communication System:</b>			
Operating Expenses	\$13,754	\$12,602	\$1,152
<b>Medical Examiner:</b>			
Professional Services	\$6,000	\$2,400	\$3,600
<b>Rabies Control:</b>			
Salaries & Employee Benefits	\$3,887	\$2,131	\$1,756
Operating Expenses	5,900	4,462	1,438
<b>Total</b>	<b>\$9,787</b>	<b>\$6,593</b>	<b>\$3,194</b>
<b>TOTAL PUBLIC SAFETY</b>	<b>\$2,725,112</b>	<b>\$2,587,069</b>	<b>\$138,043</b>
<b>Environmental Protection:</b>			
<b>Sanitation:</b>			
Salaries & Employee Benefits	\$129,953	\$129,888	\$65
Operating Expenses	68,528	54,587	13,941
Contracted Services	119,050	113,818	5,232
Capital	17,400	12,400	5,000
<b>Total</b>	<b>\$334,931</b>	<b>\$310,693</b>	<b>\$24,238</b>
<b>State Forest Protection</b>	<b>\$70,009</b>	<b>\$70,009</b>	<b>\$0</b>
<b>Soil Conservation:</b>			
Salaries & Employee Benefits	\$85,504	\$85,085	\$419
Operating Expenses	4,937	2,784	2,153
<b>Total</b>	<b>\$90,441</b>	<b>\$87,869</b>	<b>\$2,572</b>
<b>TOTAL ENVIRONMENTAL PROTECTION</b>	<b>\$495,381</b>	<b>\$468,571</b>	<b>\$26,810</b>
<b>Economic &amp; Physical Development:</b>			
<b>Agricultural Extension:</b>			
Salaries & Employee Benefits	\$121,148	\$122,291	(\$1,143)
Operating Expenses	67,527	43,464	24,063
<b>Total</b>	<b>\$188,675</b>	<b>\$165,755</b>	<b>\$22,920</b>



## JONES COUNTY, NORTH CAROLINA

## GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
For The Fiscal Year Ended June 30, 2009

	Budget	2009 Actual	Variance Favorable (Unfavorable)
<b>Economic Development:</b>			
Salaries & Employee Benefits	\$45,466	\$42,148	\$3,318
Operating Expenses	33,430	29,508	3,922
<b>Total</b>	<b>\$78,896</b>	<b>\$71,656</b>	<b>\$7,240</b>
<b>Neuse River Council of Governments:</b>			
Allocation & Expenses	\$3,165	\$3,165	\$0
<b>Commissions, Committees &amp; Councils Planning:</b>			
Operating Expenses	\$8,125	\$7,252	\$873
<b>TOTAL ECONOMIC &amp; PHYSICAL DEVELOPMENT</b>	<b>\$278,861</b>	<b>\$247,828</b>	<b>\$31,033</b>
<b>HUMAN SERVICES:</b>			
<b>Health:</b>			
<b>Administration:</b>			
Salaries & Employee Benefits	\$241,041	\$241,051	(\$10)
Operating Expenses	160,609	95,683	64,926
<b>Total</b>	<b>\$401,650</b>	<b>\$336,734</b>	<b>\$64,916</b>
<b>Tuberculosis:</b>			
Salaries and Employee Benefits	\$2,191	\$2,190	\$1
Operating Expenses	1,148	1,135	13
<b>Total</b>	<b>\$3,339</b>	<b>\$3,325</b>	<b>\$14</b>
<b>Bioterrorism</b>			
Salaries and Employee Benefits	\$9,776	\$9,775	\$1
Operating Expenses	33,883	30,624	3,259
<b>Total</b>	<b>\$43,659</b>	<b>\$40,399</b>	<b>\$3,260</b>
<b>Aids</b>	<b>\$500</b>	<b>\$500</b>	<b>\$0</b>
<b>Communicable Disease:</b>			
Salaries & Employee Benefits	\$8,212	\$8,212	
Operating Expenses	1,843	1,827	\$16
<b>Total</b>	<b>\$10,055</b>	<b>\$10,039</b>	<b>\$16</b>

**JONES COUNTY, NORTH CAROLINA  
GENERAL FUND**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
For The Fiscal Year Ended June 30, 2009**

	<b>Budget</b>	<b>2009 Actual</b>	<b>Variance Favorable (Unfavorable)</b>
<b>Family Planning:</b>			
Salaries & Employee Benefits	\$33,773	\$33,773	
Operating Expenses	35,326	35,418	(\$92)
<b>Total</b>	<b>\$69,099</b>	<b>\$69,191</b>	<b>(\$92)</b>
<b>Maternity Care:</b>			
Salaries & Employee Benefits	\$9,982	\$9,974	\$8
<b>Total</b>	<b>\$9,982</b>	<b>\$9,974</b>	<b>\$8</b>
<b>Environmental Health:</b>			
Salaries & Employee Benefits	\$15,918	\$15,917	\$1
Operating Expenses	7,124	6,669	455
<b>Total</b>	<b>\$23,042</b>	<b>\$22,586</b>	<b>\$456</b>
<b>Food &amp; Lodging:</b>			
Operating Expenses	<b>\$3,720</b>	<b>\$3,032</b>	<b>\$688</b>
<b>Cancer Prevention:</b>			
Operating Expenses	\$7,703	\$7,453	\$250
<b>Total</b>	<b>\$7,703</b>	<b>\$7,453</b>	<b>\$250</b>
<b>Immunization Action Plan:</b>			
Salaries & Employee Benefits	\$1,619	\$1,620	(\$1)
Operating Expenses	15,568	15,560	8
<b>Total</b>	<b>\$17,187</b>	<b>\$17,180</b>	<b>\$7</b>
<b>Maternal &amp; Child Health:</b>			
Salaries & Employee Benefits	\$18,063	\$18,113	(\$50)
Operating Expenses	37,590	35,172	2,418
<b>Total</b>	<b>\$55,653</b>	<b>\$53,285</b>	<b>\$2,368</b>
<b>Women, Infants &amp; Children</b>			
<b>Supplement Food:</b>			
Salaries & Employee Benefits	\$46,580	\$46,581	(\$1)
Operating Expenses	10,923	10,762	161
<b>Total</b>	<b>\$57,503</b>	<b>\$57,343</b>	<b>\$160</b>
<b>School Health Education:</b>			
Salaries & Employee Benefits	\$36,815	\$36,815	
Operating Expenses	18,985	18,870	\$115
<b>Total</b>	<b>\$55,800</b>	<b>\$55,685</b>	<b>\$115</b>

## JONES COUNTY, NORTH CAROLINA

## GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
For The Fiscal Year Ended June 30, 2009

	Budget	2009 Actual	Variance Favorable (Unfavorable)
<b>School Health Nurse:</b>			
Salaries & Employee Benefits	\$49,727	\$49,726	\$1
Operating Expenses	433	273	160
<b>Total</b>	<b>\$50,160</b>	<b>\$49,999</b>	<b>\$161</b>
<b>Health Promotions:</b>			
Salaries & Employee Benefits	\$17,412	\$17,410	\$2
Operating Expenses	9,717	9,693	24
<b>Total</b>	<b>\$27,129</b>	<b>\$27,103</b>	<b>\$26</b>
<b>Migrant Outreach:</b>			
Salaries & Employee Benefits	\$48,212	\$48,091	\$121
Operating Expenses	15,945	14,949	996
<b>Total</b>	<b>\$64,157</b>	<b>\$63,040</b>	<b>\$1,117</b>
<b>Child Services - Coordinator:</b>			
Salaries & Employee Benefits	\$7,013	\$7,009	\$4
Operating Expenses	657	656	1
<b>Total</b>	<b>\$7,670</b>	<b>\$7,665</b>	<b>\$5</b>
<b>Family Based Counseling:</b>			
Operating Expenses	\$70,737	\$70,669	\$68
<b>Total</b>	<b>\$70,737</b>	<b>\$70,669</b>	<b>\$68</b>
<b>Wellness:</b>			
Salaries & Employee Benefits	\$75,637	\$75,637	
Operating Expenses	7,661	7,536	\$125
<b>Total</b>	<b>\$83,298</b>	<b>\$83,173</b>	<b>\$125</b>
<b>Mosquito Control:</b>			
Operating Expenses	\$3,300	\$2,773	\$527
<b>Total</b>	<b>\$3,300</b>	<b>\$2,773</b>	<b>\$527</b>

## JONES COUNTY, NORTH CAROLINA

## GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
For The Fiscal Year Ended June 30, 2009

	Budget	2009 Actual	Variance Favorable (Unfavorable)
<b>Teen Pregnancy Prevention:</b>			
Salaries & Employee Benefits	\$46,963	\$46,963	
Operating Expenses	28,288	27,377	\$911
<b>Total</b>	<b>\$75,251</b>	<b>\$74,340</b>	<b>\$911</b>
<b>Teen Tobacco Prevention:</b>			
Operating Expenses	\$3,407	\$3,406	\$1
<b>Total</b>	<b>\$3,407</b>	<b>\$3,406</b>	<b>\$1</b>
<b>Healthy Carolinian:</b>			
Operating Expenses	\$23,163	\$23,163	
<b>Total</b>	<b>\$23,163</b>	<b>\$23,163</b>	<b>\$0</b>
<b>Miracle Health Disparities Grant:</b>			
Salaries & Employee Benefits	\$11,938	\$11,937	\$1
Operating Expenses	62,905	62,443	462
<b>Total</b>	<b>\$74,843</b>	<b>\$74,380</b>	<b>\$463</b>
<b>Total Health</b>	<b>\$1,242,007</b>	<b>\$1,166,437</b>	<b>\$75,570</b>
<b>Mental Health:</b>			
<b>Administration:</b>			
Regional Allocation	\$27,670	\$27,670	
Bottle Tax	4,000	3,594	\$406
<b>Total</b>	<b>\$31,670</b>	<b>\$31,264</b>	<b>\$406</b>
<b>Social Services:</b>			
<b>Administration:</b>			
Salaries & Employee Benefits	\$1,095,547	\$1,052,913	\$42,634
Operating Expenses	849,476	827,971	21,505
<b>Total</b>	<b>\$1,945,023</b>	<b>\$1,880,884</b>	<b>\$64,139</b>
<b>AFDC Program:</b>			
Extra Items	\$4,000	\$825	\$3,175
Foster Care	5,000	3,405	1,595
<b>Total</b>	<b>\$9,000</b>	<b>\$4,230</b>	<b>\$4,770</b>

JONES COUNTY, NORTH CAROLINA  
GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
For The Fiscal Year Ended June 30, 2009

	Budget	2009 Actual	Variance Favorable (Unfavorable)
<b>Medicaid Program:</b>			
County Participation Only	\$484,561	\$363,955	\$120,606
<b>Foster Care</b>	\$10,000		\$10,000
<b>General Assistance</b>	\$1,150	\$131	\$1,019
<b>Aid to Blind</b>	\$4,109	\$997	\$3,112
<b>Day Care - County Participation</b>	\$419,286	\$414,723	\$4,563
<b>Food Stamp - EBT</b>	\$3,345	\$3,706	(\$361)
<b>Title III - Homemaker:</b>			
Salaries & Employee Benefits	\$51,696	\$51,472	\$224
Operating Expenses	3,022	1,901	1,121
<b>Total</b>	\$54,718	\$53,373	\$1,345
<b>Work First Jobs Program</b>	\$63,300	\$22,004	\$41,296
<b>Work First Family Assistance</b>	\$1,000		\$1,000
<b>Supplemental Assistance</b>	\$121,941	\$128,974	(\$7,033)
<b>Medicaid Transportation Dialysis</b>	\$290,000	\$300,322	(\$10,322)
<b>Crisis Intervention</b>	\$61,652	\$33,043	\$28,609
<b>Adoption Assistance</b>	\$3,575	\$3,638	(\$63)
<b>Energy Assistance - Progress Energy</b>	\$1,587	\$1,402	\$185
<b>Adult &amp; Youth Services</b>	\$15,182	\$7,810	\$7,372
<b>Long-Term Care Screening</b>	\$11,000	\$5,558	\$5,442
<b>Domestic Violence</b>	\$6,455	\$4,897	\$1,558
<b>Child Protective Service</b>	\$100		\$100
<b>Total Social Services</b>	\$3,506,984	\$3,229,647	\$277,337

## JONES COUNTY, NORTH CAROLINA

## GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
For The Fiscal Year Ended June 30, 2009

	Budget	2009 Actual	Variance Favorable (Unfavorable)
<b>Veterans Service Officer:</b>			
Salaries & Employee Benefits	\$538	\$34	\$504
Operating Expenses	21,532	20,102	1,430
<b>Total Veterans Service Officer</b>	<b>\$22,070</b>	<b>\$20,136</b>	<b>\$1,934</b>
<b>Rural Transportation</b>	<b>\$97,602</b>	<b>\$70,795</b>	<b>\$26,807</b>
<b>Tri-County Senior Citizens:</b>			
Salaries & Employee Benefits	\$27,474	\$26,019	\$1,455
Title V	111,983	72,421	39,562
Transportation	33,300	28,882	4,418
SR Services Outreach	7,950	8,232	(282)
<b>Total Tri-County Senior Citizens</b>	<b>\$180,707</b>	<b>\$135,554</b>	<b>\$45,153</b>
<b>TOTAL HUMAN SERVICES</b>	<b>\$5,081,040</b>	<b>\$4,653,833</b>	<b>\$427,207</b>
<b>Cultural and Recreational:</b>			
<b>Recreational:</b>			
Salaries & Employee Benefits	\$35,826	\$27,772	\$8,054
Operating Expenses	26,114	24,237	1,877
<b>Total</b>	<b>\$61,940</b>	<b>\$52,009</b>	<b>\$9,931</b>
<b>Civic Center:</b>			
Operating Expenses	\$44,581	\$40,317	\$4,264
Capital	50,137	50,129	8
<b>Total</b>	<b>\$94,718</b>	<b>\$90,446</b>	<b>\$4,272</b>
<b>Interagency Council:</b>			
Operating Expenses	\$6,302	\$3,507	\$2,795
<b>Arts Council Appropriation</b>	<b>\$1,775</b>	<b>\$1,775</b>	<b>\$0</b>
<b>Libraries Appropriation</b>	<b>\$113,112</b>	<b>\$113,112</b>	<b>\$0</b>
<b>TOTAL CULTURAL AND RECREATIONAL</b>	<b>\$277,847</b>	<b>\$260,849</b>	<b>\$16,998</b>

**JONES COUNTY, NORTH CAROLINA  
GENERAL FUND**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
For The Fiscal Year Ended June 30, 2009**

	<b>Budget</b>	<b>2009 Actual</b>	<b>Variance Favorable (Unfavorable)</b>
<b>Education:</b>			
<b>Public Schools:</b>			
Current Expense	\$1,873,847	\$1,752,096	\$121,751
Forest Receipts	20,000	75,399	(55,399)
Capital Outlay	198,000	105,784	92,216
<b>Total</b>	<b>\$2,091,847</b>	<b>\$1,933,279</b>	<b>\$158,568</b>
<b>Community College:</b>			
Salaries & Employee Benefits	\$11,074	\$11,067	\$7
Operating Expenses	58,425	58,436	(11)
Capital	50,000	50,000	
<b>Total</b>	<b>\$119,499</b>	<b>\$119,503</b>	<b>(\$4)</b>
<b>TOTAL EDUCATION</b>	<b>\$2,211,346</b>	<b>\$2,052,782</b>	<b>\$158,564</b>
<b>Debt Service:</b>			
Principal Retirement	\$155,908	\$155,908	
Interest	73,021	73,015	\$6
	<b>\$228,929</b>	<b>\$228,923</b>	<b>\$6</b>
<b>Miscellaneous - County</b>	<b>\$62,742</b>	<b>\$59,822</b>	<b>\$2,920</b>
<b>TOTAL EXPENDITURES</b>	<b>\$13,017,935</b>	<b>\$12,065,438</b>	<b>\$952,497</b>
<b>Revenues Over (Under) Expenditures</b>	<b>(\$1,955,211)</b>	<b>(\$128,724)</b>	<b>\$1,826,487</b>
<b>OTHER FINANCING SOURCES (USES):</b>			
<i>Transfers from Other Funds:</i>			
Enterprise Fund	\$65,000	\$65,000	
Capital Projects Fund	180,000	191,702	\$11,702
<i>Transfers to Other Funds:</i>			
Special Revenue Fund	(44,200)	(43,384)	816
Capital Projects Fund	(599,013)		599,013
Capital Lease Obligation Issued		16,730	16,730
Appropriated Fund Balance	2,353,424		(2,353,424)
<b>Total Other Financing Sources (Uses)</b>	<b>\$1,955,211</b>	<b>\$230,048</b>	<b>(\$1,725,163)</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$0</b>	<b>\$101,324</b>	<b>\$101,324</b>
<b>FUND BALANCES:</b>			
Beginning of Year, July 1		7,805,709	
<b>End of Year, June 30</b>		<b>\$7,907,033</b>	

## **COMBINING STATEMENTS FOR NON-MAJOR FUNDS**

### **Special Revenue Funds**

- *Property Revaluation Fund* – The County uses this fund to set aside money each year to pay for the revaluation for tax purposes of real property every eight years.
- *Emergency Telephone System Fund* – This fund accounts for the 911 revenues collected by the telephone industry to fund the 911 emergency system.
- *2007 CDBG Scattered Site Fund* – This fund accounts for the receipt of federal grant funds to be used for replacing and repairing homes.
- *Trent River Snagging Fund* – This fund accounts for the receipt of State funds used to clear the Trent River of debris.

### **Capital Projects Funds**

- *Incubator Capital Projects Fund* – The County uses this fund to account for the construction of an incubator building for economic development.
- *Courthouse Renovations Capital Projects Fund* – The County uses this fund to account for the construction/improvement of the courthouse.



JONES COUNTY, NORTH CAROLINA  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
June 30, 2009

	Special Revenue Funds		
	Property Revaluation Fund	Emergency Telephone System Fund	2007 CDBG Scattered Site Fund
<b><u>ASSETS</u></b>			
Cash and Investments	\$76,052	\$376,561	
Accounts Receivable, Net		16,543	
Due From Other Governments		33,750	\$4,042
<b>TOTAL ASSETS</b>	<b>\$76,052</b>	<b>\$426,854</b>	<b>\$4,042</b>
<b><u>LIABILITIES AND FUND BALANCES</u></b>			
<b>Liabilities:</b>			
Accounts Payable		\$157	\$4,042
<b>Total Liabilities</b>	<b>\$0</b>	<b>\$157</b>	<b>\$4,042</b>
<b>Fund Balances:</b>			
Designated for Subsequent Year's Expenditure	\$76,052	\$426,697	
<b>Total Fund Balances</b>	<b>\$76,052</b>	<b>\$426,697</b>	<b>\$0</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$76,052</b>	<b>\$426,854</b>	<b>\$4,042</b>

Total Non-major Special Revenue Funds	Capital Project Fund Courthouse Renovations Capital Projects Fund	Total Non-major Capital Projects Funds	Total Non-major Governmental Funds
\$452,613	\$140,812	\$140,812	\$593,425
16,543			16,543
37,792	1,807	1,807	39,599
<b>\$506,948</b>	<b>\$142,619</b>	<b>\$142,619</b>	<b>\$649,567</b>
\$4,199	\$8,342	\$8,342	\$12,541
<b>\$4,199</b>	<b>\$8,342</b>	<b>\$8,342</b>	<b>\$12,541</b>
\$502,749	\$134,277	\$134,277	\$637,026
<b>\$502,749</b>	<b>\$134,277</b>	<b>\$134,277</b>	<b>\$637,026</b>
<b>\$506,948</b>	<b>\$142,619</b>	<b>\$142,619</b>	<b>\$649,567</b>

**JONES COUNTY, NORTH CAROLINA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**For The Fiscal Year Ended June 30, 2009**

	Special Revenue Funds			Total
	Emergency	2007	Trent	Nonmajor
	Telephone	CDBG	River	Special
	System	Scattered	Snagging	Revenue
	Fund	Sites Fund	Fund	Funds
	Property			
	Revaluation			
	Fund			
<b>REVENUES:</b>				
Other Taxes and Licenses	\$220,595			\$220,595
Restricted Intergovernmental	43,000	\$368,733	\$96,616	508,349
Miscellaneous			4,000	4,000
<b>Total Revenues</b>	<b>\$0</b>	<b>\$263,595</b>	<b>\$368,733</b>	<b>\$100,616</b>
<b>EXPENDITURES:</b>				
General Government	\$195			\$195
Public Safety	\$83,426			83,426
Economic & Physical Development		\$368,733		368,733
Environmental Protection			\$119,000	119,000
<b>Total Expenditures</b>	<b>\$195</b>	<b>\$83,426</b>	<b>\$368,733</b>	<b>\$571,354</b>
<b>Revenues Over (Under) Expenditures</b>	<b>(\$195)</b>	<b>\$180,169</b>	<b>\$0</b>	<b>(\$18,384)</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers From (To) Other Funds	\$25,000		\$18,384	\$43,384
<b>Total Other Financing Sources (Uses)</b>	<b>\$25,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$43,384</b>
<b>Net Change in Fund Balances</b>	<b>\$24,805</b>	<b>\$180,169</b>	<b>\$0</b>	<b>\$204,974</b>
<b>FUND BALANCES:</b>				
Beginning of Year, July 1	51,247	246,528		297,775
<b>End of Year, June 30</b>	<b>\$76,052</b>	<b>\$426,697</b>	<b>\$0</b>	<b>\$502,749</b>

Capital Projects Funds		Total	
Incubator Capital Projects Fund	Courthouse Renovations Capital Projects Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
			\$220,595
			508,349
			4,000
\$0	\$0	\$0	\$732,944
	\$502,732	\$502,732	\$502,927
			83,426
			368,733
			119,000
\$0	\$502,732	\$502,732	\$1,074,086
\$0	(\$502,732)	(\$502,732)	(\$341,142)
(\$11,702)	(\$180,000)	(\$191,702)	(\$148,318)
(\$11,702)	(\$180,000)	(\$191,702)	(\$148,318)
(\$11,702)	(\$682,732)	(\$694,434)	(\$489,460)
11,702	817,009	828,711	1,126,486
\$0	\$134,277	\$134,277	\$637,026

**JONES COUNTY, NORTH CAROLINA**  
**PROPERTY REVALUATION FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES-BUDGET AND ACTUAL**  
**For The Fiscal Year Ended June 30, 2009**

	Annual Budget	2009 Actual	Variance Favorable (Unfavorable)
<b>REVENUES:</b>			
Investment Earnings			
<b>Total Revenues</b>	\$0	\$0	\$0
<b>EXPENDITURES:</b>			
General Government:			
Bank Charges		\$195	(\$195)
Contract Revaluation			
<b>Total Expenditures</b>	\$0	\$195	(\$195)
<b>Revenues Over (Under) Expenditures</b>	\$0	(\$195)	(\$195)
<b>OTHER FINANCING SOURCES:</b>			
Operating Transfer In	\$25,000	\$25,000	
Appropriated Fund Balance	(25,000)		\$25,000
<b>Total Other Financing Sources</b>	\$0	\$25,000	\$25,000
<b>Revenues and Other Financing Sources Over (Under) Expenditures</b>	\$0	\$24,805	\$24,805
<b>FUND BALANCE:</b>			
Beginning of Year, July 1		51,247	
<b>End of Year, June 30</b>		\$76,052	

**JONES COUNTY, NORTH CAROLINA**  
**EMERGENCY TELEPHONE SYSTEM FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES-BUDGET AND ACTUAL**  
**For The Fiscal Year Ended June 30, 2009**

	Annual Budget	2009 Actual	Variance Favorable (Unfavorable)
<b>REVENUES:</b>			
<i>Other Taxes and Licenses:</i>			
911 System Subscriber Fees	\$34,113	\$220,595	\$186,482
<i>Restricted Intergovernmental:</i>			
Wireless 911 Funds	40,000		(40,000)
NC DENR Grant	9,250	9,250	
State Flood Plain Grant	33,750	33,750	
Investment Earnings	1,000		(1,000)
<b>Total Revenues</b>	<b>\$118,113</b>	<b>\$263,595</b>	<b>\$145,482</b>
<b>EXPENDITURES:</b>			
<i>Public Safety</i>	\$143,969	\$83,426	\$60,543
<b>Total Expenditures</b>	<b>\$143,969</b>	<b>\$83,426</b>	<b>\$60,543</b>
 <i>Revenues Over (Under) Expenditures</i>	 (\$25,856)	 \$180,169	 \$206,025
 <i>Appropriated Fund Balance</i>	 25,856	 	 (25,856)
 <i>Revenues and Appropriated Fund Balance Over (Under) Expenditures</i>	 <b>\$0</b>	 <b>\$180,169</b>	 <b>\$180,169</b>
<b>FUND BALANCE:</b>			
Beginning of Year, July 1		246,528	
<b>End of Year, June 30</b>		<b>\$426,697</b>	

**JONES COUNTY, NORTH CAROLINA**  
**2007 CDBG SCATTERED SITE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES-BUDGET AND ACTUAL**  
**From Inception and for the Fiscal Year Ended June 30, 2009**

	Project Authorization	Prior Years	Actual Current Year	Total To Date	Variance Favorable (Unfavorable)
<b>REVENUES:</b>					
<i>Restricted Intergovernmental:</i>					
2007 CDBG Scattered Site	\$400,000	\$30,178	\$368,733	\$398,911	(\$1,089)
<b>Total Revenues</b>	<b>\$400,000</b>	<b>\$30,178</b>	<b>\$368,733</b>	<b>\$398,911</b>	<b>(\$1,089)</b>
<b>EXPENDITURES:</b>					
<i>Current:</i>					
2007 CDBG Scattered Site:					
Clearance	\$45,000		\$45,000	\$45,000	
Administration	35,000	\$28,678	5,578	34,256	\$744
Relocation	320,000	1,500	318,155	319,655	345
<b>Total Expenditures</b>	<b>\$400,000</b>	<b>\$30,178</b>	<b>\$368,733</b>	<b>\$398,911</b>	<b>\$1,089</b>
<b>Revenues Over (Under) Expenditures</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>FUND BALANCE:</b>					
Beginning of Year, July 1					
End of Year, June 30			<b>\$0</b>		

**JONES COUNTY, NORTH CAROLINA  
TRENT RIVER SNAGGING FUND**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES-BUDGET AND ACTUAL  
From Inception and for the Fiscal Year Ended June 30, 2009**

	<b>Project Authorization</b>	<b>Prior Years</b>	<b>Actual Current Year</b>	<b>Total To Date</b>	<b>Variance Favorable (Unfavorable)</b>
<b>REVENUES:</b>					
<i>Restricted Intergovernmental:</i>					
NC DENR Grant	\$200,000	\$100,000	\$96,616	\$196,616	(\$3,384)
<i>Other Revenues:</i>					
Miscellaneous	4,000		4,000	4,000	
<b>Total Revenues</b>	<b>\$204,000</b>	<b>\$100,000</b>	<b>\$100,616</b>	<b>\$200,616</b>	<b>(\$3,384)</b>
<b>EXPENDITURES:</b>					
<i>Environmental Protection:</i>					
Professional - Consultant	\$110,000	\$110,000		\$110,000	
Tree Removal	104,000		\$104,000	104,000	
Tree Removal - White Oak River	15,000		15,000	15,000	
Advertisement	184	184		184	
<b>Total Expenditures</b>	<b>\$229,184</b>	<b>\$110,184</b>	<b>\$119,000</b>	<b>\$229,184</b>	<b>\$0</b>
<b>Revenues Over (Under) Expenditures</b>	<b>(\$25,184)</b>	<b>(\$10,184)</b>	<b>(\$18,384)</b>	<b>(\$28,568)</b>	<b>(\$3,384)</b>
<b>OTHER FINANCING SOURCES:</b>					
Transfer from General Fund (Local Match)	\$25,184	\$10,184	\$18,384	\$28,568	\$3,384
<b>Total Other Financing Sources</b>	<b>\$25,184</b>	<b>\$10,184</b>	<b>\$18,384</b>	<b>\$28,568</b>	<b>\$3,384</b>
<b>Revenues and Other Financing Sources Over (Under) Expenditures</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>FUND BALANCE:</b>					
Beginning of Year, July 1					
End of Year, June 30			\$0		



**JONES COUNTY, NORTH CAROLINA**  
**INCUBATOR CAPITAL PROJECTS FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**For The Fiscal Year Ended June 30, 2009**

	Project Authorization	Prior Years	Actual Current Year	Total To Date	Variance Favorable (Unfavorable)
<b>REVENUES:</b>					
<i>Restricted Intergovernmental:</i>					
2004 CDBG - Economic Development	\$350,000	\$350,000		\$350,000	
Eastern Region - Flex Grant	13,575	13,575		13,575	
<i>Miscellaneous Revenue:</i>					
Golden Leaf Foundation Grant	300,000	300,000		300,000	
Bates Grant	29,890	29,890		29,890	
Progress Energy Grant	1,000	1,000		1,000	
Jones-Onslow EMC Grant	10,000	10,000		10,000	
<b>Total Revenues</b>	<b>\$704,465</b>	<b>\$704,465</b>	<b>\$0</b>	<b>\$704,465</b>	<b>\$0</b>
<b>EXPENDITURES:</b>					
Construction	\$840,214	\$828,513		\$828,513	\$11,701
Administration	18,000	18,000		18,000	
Supplies	3,733	3,732		3,732	1
Building & Finishes	12,390	12,390		12,390	
Miscellaneous	7,542	7,542		7,542	
<b>Total Expenditures</b>	<b>\$881,879</b>	<b>\$870,177</b>	<b>\$0</b>	<b>\$870,177</b>	<b>\$11,702</b>
<b>Revenues Over (Under) Expenditures</b>	<b>(\$177,414)</b>	<b>(\$165,712)</b>	<b>\$0</b>	<b>(\$165,712)</b>	<b>(\$11,702)</b>
<b>OTHER FINANCING SOURCES:</b>					
General Fund (Local Match)	\$177,414	\$177,414	(\$11,702)	\$165,712	\$11,702
<b>Total Other Financing Sources</b>	<b>\$177,414</b>	<b>\$177,414</b>	<b>(\$11,702)</b>	<b>\$165,712</b>	<b>\$11,702</b>
<b>Revenues and Other Sources</b>					
<b>Over (Under) Expenditures</b>	<b>\$0</b>	<b>\$11,702</b>	<b>(\$11,702)</b>	<b>\$0</b>	<b>\$0</b>
<b>FUND BALANCE:</b>					
Beginning of Year, July 1			11,702		
<b>End of Year, June 30</b>			<b>\$0</b>		

**JONES COUNTY, NORTH CAROLINA**  
**COURTHOUSE RENOVATIONS CAPITAL PROJECTS FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**From Inception and for the Fiscal Year Ended June 30, 2009**

	Project Authorization	Prior Years	Actual Current Year	Total To Date	Variance Favorable (Unfavorable)
<b>EXPENDITURES:</b>					
General Government:					
Architectural Services	\$25,000	\$45,220	\$23,553	\$68,773	(\$43,773)
Contract Services	566,898	62,580	472,560	535,140	31,758
Miscellaneous	7,000	541	6,619	7,160	(160)
Advertising	115				115
<b>Total Expenditures</b>	<b>\$599,013</b>	<b>\$108,341</b>	<b>\$502,732</b>	<b>\$611,073</b>	<b>(\$12,060)</b>
<b>Revenues Over (Under) Expenditures</b>	<b>(\$599,013)</b>	<b>(\$108,341)</b>	<b>(\$502,732)</b>	<b>(\$611,073)</b>	<b>\$12,060</b>
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfer From Other Funds:					
General Fund	\$454,013	\$780,350	(\$180,000)	\$600,350	(\$146,337)
County Complex Capital Project Reserve Fund	145,000	145,000		145,000	
<b>Total Other Financing Sources</b>	<b>\$599,013</b>	<b>\$925,350</b>	<b>(\$180,000)</b>	<b>\$745,350</b>	<b>(\$146,337)</b>
<b>Revenues and Other Financing Sources Over (Under) Expenditures</b>	<b>\$0</b>	<b>\$817,009</b>	<b>(\$682,732)</b>	<b>\$134,277</b>	<b>(\$134,277)</b>
<b>FUND BALANCES:</b>					
Beginning of Year, July 1			817,009		
<b>End of Year, June 30</b>			<b>\$134,277</b>		

## **ENTERPRISE FUND**

***Water Fund*** – This fund accounts for the activities of the County's Water District, the associated Capital Reserve Fund and the Rock Creek Water Project Capital Project Fund.

## JONES COUNTY, NORTH CAROLINA

## WATER FUND

## STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON GAAP)

For The Fiscal Year Ended June 30, 2009

	2009		Variance
	Budget	Actual	Favorable (Unfavorable)
<b>OPERATING REVENUES:</b>			
Water Sales	\$849,500	\$857,805	\$8,305
Water Tap Fees	15,000	34,200	19,200
Reconnect Fees	21,000	19,550	(1,450)
Other Operating Revenues	3,900	5,453	1,553
<b>Total Operating Revenues</b>	<b>\$889,400</b>	<b>\$917,008</b>	<b>\$27,608</b>
<b>NONOPERATING REVENUES:</b>			
Interest Earned on Investment	\$5,030	\$104	(\$4,926)
<b>Total Nonoperating Revenues</b>	<b>\$5,030</b>	<b>\$104</b>	<b>(\$4,926)</b>
<b>Total Revenues</b>	<b>\$894,430</b>	<b>\$917,112</b>	<b>\$22,682</b>
<b>OPERATING EXPENSES:</b>			
<i>Water Administration, Billing &amp; Collection:</i>			
Salaries & Employee Benefits	\$99,780	\$85,248	\$14,532
Professional Services	7,600	8,064	(464)
Insurance	66,000	61,640	4,360
Postage	13,000	14,597	(1,597)
Supplies	1,500	1,298	202
Printing	5,000	2,623	2,377
Telephone	1,800	1,500	300
Other Operating Expenses	21,105	15,999	5,106
<b>Total</b>	<b>\$215,785</b>	<b>\$190,969</b>	<b>\$24,816</b>
<i>Raw Water Supply &amp; Maintenance:</i>			
Salaries & Employee Benefits	\$225,899	\$166,838	\$59,061
Electric Power	70,000	57,011	12,989
Vehicles Operation & Maintenance	42,500	21,911	20,589
Supplies & Materials	11,500	7,053	4,447
Sample Analysis	12,000	8,031	3,969
Other Operating Expenses	69,792	69,575	217
Maintenance & Replacement	72,300	70,129	2,171
<b>Total</b>	<b>\$503,991</b>	<b>\$400,548</b>	<b>\$103,443</b>
<b>Total Operating Expenses</b>	<b>\$719,776</b>	<b>\$591,517</b>	<b>\$128,259</b>
<i>Debt Service:</i>			
Interest and Other Charges	\$53,900	\$21,755	32,145
<b>Total</b>	<b>\$53,900</b>	<b>\$21,755</b>	<b>\$32,145</b>

## JONES COUNTY, NORTH CAROLINA

## WATER FUND

## STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON GAAP)

For The Fiscal Year Ended June 30, 2009

	2009		Variance Favorable (Unfavorable)
	Budget	Actual	
<i>Capital Outlay:</i>			
Construction	\$55,754	\$16,851	\$38,903
<b>Total Expenditures</b>	<b>\$829,430</b>	<b>\$630,123</b>	<b>\$199,307</b>
<b>Revenues Over (Under) Expenditures Before Other Financing Sources (Uses)</b>	<b>\$65,000</b>	<b>\$286,989</b>	<b>\$221,989</b>
<b>OTHER FINANCING SOURCES (USES):</b>			
Transfer to General Fund	(\$65,000)	(\$65,000)	
Transfer to Water Capital Reserve Fund	(50,000)	(50,000)	
Transfer to Enterprise Capital Project Fund		(353,334)	(\$353,334)
Appropriated Fund Balance	50,000		(50,000)
<b>Total Other Financing Sources (Uses)</b>	<b>(\$65,000)</b>	<b>(\$468,334)</b>	<b>(\$403,334)</b>
<b>Revenues and Other Financing Sources Over (Under) Expenditures</b>	<b>\$0</b>	<b>(\$181,345)</b>	<b>(\$181,345)</b>
<b>Reconciliation From Budgetary Basis (Modified Accrual) to Full Accrual:</b>			
<b>Revenues and Other Financing Sources Over (Under) Expenditures</b>		<b>(\$181,345)</b>	
<b>Reconciling Items:</b>			
Capital Outlay		\$16,851	
Increase in Accrued Vacation		24	
Depreciation		(210,896)	
Transfer to Water Capital Reserve		50,000	
Transfer to Enterprise Capital Project Fund		353,334	
Bank Charges from Water Capital Reserve		(1,174)	
<b>Total Reconciling Items</b>		<b>\$208,139</b>	
<b>Change in Net Assets</b>		<b>\$26,794</b>	

**JONES COUNTY, NORTH CAROLINA**  
**WATER CAPITAL RESERVE FUND**  
**STATEMENT OF REVENUES AND EXPENDITURES – BUDGET AND ACTUAL (NON-GAAP)**  
**For The Fiscal Year Ended June 30, 2009**

	<b>Budget</b>	<b>2009 Actual</b>	<b>Variance Favorable (Unfavorable)</b>
<b>REVENUES:</b>			
Interest Earned on Investments			\$0
<b>EXPENDITURES:</b>			
Admin - Bank Charges		\$1,174	(\$1,174)
	\$0	\$1,174	(\$1,174)
<b>Revenues Over (Under) Expenditures</b>	\$0	(\$1,174)	(\$1,174)
<b>OTHER FINANCING SOURCES:</b>			
Transfer from Water Fund	\$50,000	\$50,000	
Appropriated Fund Balance	(\$50,000)		\$50,000
<b>Total Other Financing Sources</b>	\$0	\$50,000	\$50,000
<b>Revenues and Other Financing Sources Over (Under) Expenditures</b>	\$0	\$48,826	\$48,826
<b>FUND BALANCES:</b>			
Beginning of Year, July 1		358,250	
<b>End of Year, June 30</b>		<b>\$407,076</b>	

**JONES COUNTY, NORTH CAROLINA**  
**ROCK CREEK WATER PROJECT - ENTERPRISE CAPITAL PROJECT FUND**  
**STATEMENT OF REVENUES AND EXPENDITURES – BUDGET AND ACTUAL (NON-GAAP)**  
**For The Fiscal Year Ended June 30, 2009**

	Project		Actual		Variance
	Authorization	Prior	Current	Total	Favorable
		Years	Year	To Date	(Unfavorable)
<b>EXPENDITURES:</b>					
Construction	\$1,230,300	\$1,074,149	\$137,041	\$1,211,190	\$19,110
Engineering	67,500	180,521	1,000	181,521	(114,021)
Inspection	40,000	3,365	37,041	40,406	(406)
Preliminary Engineering Report	15,000		15,000	15,000	
Environmental Assessment	5,000		2,228	2,228	2,772
Legal	15,000	2,877		2,877	12,123
Permit Fees	2,000				2,000
Interest Expense	10,000				10,000
Additional Services	4,500	7,769	2,580	10,349	(5,849)
Contingency	62,700	1,566	610	2,176	60,524
<b>Total Expenditures</b>	<b>\$1,452,000</b>	<b>\$1,270,247</b>	<b>\$195,500</b>	<b>\$1,465,747</b>	<b>(\$13,747)</b>
<b>Revenues Over (Under) Expenditures</b>	<b>(\$1,452,000)</b>	<b>(\$1,270,247)</b>	<b>(\$195,500)</b>	<b>(\$1,465,747)</b>	<b>\$13,747</b>
<b>OTHER FINANCING SOURCES:</b>					
Transfer from Water Fund			\$353,334	\$353,334	(\$353,334)
Water Fund (Local Match)	\$500,000	\$500,000		500,000	
Water Fund (In-Kind Labor)	452,000	112,413		112,413	339,587
Installment Purchase Obligations Issued	500,000	500,000		500,000	
<b>Total Other Financing Sources</b>	<b>\$1,452,000</b>	<b>\$1,112,413</b>	<b>\$353,334</b>	<b>\$1,465,747</b>	<b>(\$13,747)</b>
<b>Revenues and Other Financing Sources</b>					
<b>Over (Under) Expenditures</b>	<b>\$0</b>	<b>(\$157,834)</b>	<b>\$157,834</b>	<b>\$0</b>	<b>\$0</b>
<b>FUND BALANCE:</b>					
Beginning of Year, July 1			(157,834)		
End of Year, June 30			<b>\$0</b>		

## **AGENCY FUNDS**

**Agency Funds serve primarily as clearing mechanisms for cash resources that are collected by a government unit, held as such for a brief period, and then distributed to authorized recipients.**

***The following comprise the County's Agency Funds:***

***Social Services Fund*** – The Social Services Fund is used to account for funds received by the County by court order on behalf of citizens who are unable to manage their own financial affairs.

***Fines and Forfeitures Fund*** – This fund accounts for fines and forfeitures collected by the County that are required to be remitted to the Jones County Board of Education.

***Ad Valorem Tax Fund*** – This fund accounts for the proceeds of the ad valorem taxes that are collected by the County on behalf of the municipalities and other taxing jurisdictions within the County.

***Agricultural Extension Fund*** – This fund accounts for the moneys collected and disbursed by the Cooperative Extension office.



**JONES COUNTY, NORTH CAROLINA**  
**AGENCY FUNDS**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**For The Fiscal Year Ended June 30, 2009**

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Deductions</b>	<b>Ending Balance</b>
<b>Social Services Fund:</b>				
Assets, Cash and Investments	\$18,467	\$39,990	\$40,823	\$17,634
Liabilities, Accounts Payable	\$18,467	\$39,990	\$40,823	\$17,634
<b>Fines and Forfeitures Fund:</b>				
Assets, Cash and Investments	\$440	\$124,986	\$70,916	\$54,510
Accounts Receivable	5,860	7,760	5,860	7,760
<b>Total</b>	<b>\$6,300</b>	<b>\$132,746</b>	<b>\$76,776</b>	<b>\$62,270</b>
Liabilities:				
Intergovernmental Payable - Jones County Board of Education	\$5,861	\$174,642	\$118,758	\$61,745
Intergovernmental Payable - State of North Carolina	439	6,229	6,143	525
<b>Total Liabilities</b>	<b>\$6,300</b>	<b>\$180,871</b>	<b>\$124,901</b>	<b>\$62,270</b>
<b>Ad Valorem Tax Fund:</b>				
Assets, Cash and Investments	\$12,019	\$277,643	\$276,721	\$12,941
Liabilities, Intergovernmental Payables	\$12,019	\$277,643	\$276,721	\$12,941
<b>Agricultural Extension Fund:</b>				
Assets, Cash and Investments	\$25,770	\$13,222	\$13,756	\$25,236
Liabilities, Intergovernmental Payables	\$25,770	\$13,222	\$13,756	\$25,236
<b>Totals - All Agency Funds:</b>				
Assets, Cash	\$56,696	\$455,841	\$402,216	\$110,321
Accounts Receivable	5,860	7,760	5,860	7,760
	<b>\$62,556</b>	<b>\$463,601</b>	<b>\$408,076</b>	<b>\$118,081</b>
<b>Liabilities and Payables</b>	<b>\$62,556</b>	<b>\$511,726</b>	<b>\$456,201</b>	<b>\$118,081</b>

## **STATISTICAL SECTION**

**This section includes additional information required on property taxes and transfers.**

- **Statement of Ad Valorem Taxes Receivable**
- **Analysis of Current Tax Levy**
- **Ten Largest Taxpayers**

JONES COUNTY, NORTH CAROLINA  
GENERAL FUND  
STATEMENT OF AD VALOREM TAXES RECEIVABLE  
June 30, 2009

Fiscal Year Ended June 30,	Uncollected Balance June 30, 2008	Additions	Collections and Credits	Uncollected Balance June 30, 2009
2008-09		\$4,990,987	\$4,698,939	\$292,048
2007-08	\$277,074		220,099	56,975
2006-07	43,374		19,783	23,591
2005-06	29,410		6,049	23,361
2004-05	17,054		3,161	13,893
2003-04	14,623		1,896	12,727
2002-03	13,029		1,330	11,699
2001-02	10,751		1,766	8,985
2000-01	14,391		1,337	13,054
1999-00	12,387		1,200	11,187
1998-99	7,760		7,760	
	<u>\$439,853</u>	<u>\$4,990,987</u>	<u>\$4,963,320</u>	<u>\$467,520</u>
Less: Allowance for Uncollectible Ad Valorem Taxes				(16,500)
Plus: Uncollected 2008-2009 Ad Valorem Taxes Receivable Vehicles				60,408
<b>Ad Valorem Taxes Receivable - Net</b>				<u><b>\$511,428</b></u>
Reconcilement with Revenue:				
Taxes - Ad Valorem - General Fund				<u><b>\$4,987,067</b></u>
<i>Reconciling Items:</i>				
Penalties and Costs				\$7,639
Discounts Allowed				20,055
Taxes Written Off				7,760
Interest Collected				(63,846)
Prior Year Releases				4,645
<b>Total Reconciling Items</b>				<u><b>(\$23,747)</b></u>
<b>Total Collections and Credits</b>				<u><b>\$4,963,320</b></u>

**JONES COUNTY, NORTH CAROLINA**  
**ANALYSIS OF CURRENT TAX LEVY**  
**COUNTY-WIDE LEVY**  
For The Fiscal Year Ended June 30, 2009

	County-Wide			Total Levy	
	Property Valuation	Rate	Amount of Levy	Property Excluding Registered Motor Vehicles	Registered Motor Vehicles
<b>Original Levy:</b>					
Property and Motor Vehicles Taxed at Current Year's Rate	\$679,964,286	0.70	\$4,759,750	\$4,425,629	\$334,121
Property and Motor Vehicles Taxed at Prior Year's Rate	27,227,353	0.68	185,146		185,146
<b>Total Original Levy</b>	<b>\$707,191,639</b>		<b>\$4,944,896</b>	<b>\$4,425,629</b>	<b>\$519,267</b>
<b>Discoveries:</b>					
Current Year Taxes	\$5,246,429	0.70	\$36,725	\$36,725	
Prior Year Taxes			19,412	19,412	
<b>Total</b>	<b>\$5,246,429</b>		<b>\$56,137</b>	<b>\$56,137</b>	<b>\$0</b>
<b>Deferred:</b>					
Current Year Taxes	<b>\$3,117,214</b>	0.70	<b>\$21,542</b>	<b>\$21,542</b>	
<b>Abatements</b>	<b>(\$4,512,571)</b>		<b>(\$31,588)</b>	<b>(\$31,588)</b>	
<b>Total Property Valuation</b>	<b>\$702,679,068</b>				
<b>Net Levy</b>			<b>\$4,990,987</b>	<b>\$4,471,720</b>	<b>\$519,267</b>
Uncollected Taxes at June 30, 2009			292,048	193,052	98,996
<b>Current Year's Taxes Collected</b>			<b>\$4,698,939</b>	<b>\$4,278,668</b>	<b>\$420,271</b>
<b>Current Levy Collection Percentage</b>			<b>94.15%</b>	<b>95.68%</b>	<b>80.94%</b>

**JONES COUNTY, NORTH CAROLINA**  
**TEN LARGEST TAXPAYERS**  
For The Fiscal Year Ended June 30, 2009

<b>Taxpayer</b>	<b>Type of Business</b>	<b>2008 Assessed Valuation</b>	<b>Percentage of Total Assessed Valuation</b>
Weyerhaeuser Company	Timber	\$19,878,083	2.83%
Jones - Onslow EMC	Utility	\$18,950,703	2.70%
Brown's Realty Partnership	Real Estate	\$10,044,916	1.43%
Jones County Cotton Gin	Agricultural	\$6,394,979	0.91%
Progress Energy	Utility	\$5,532,990	0.79%
Carolina Telephone & Telegraph Company	Utility	\$5,156,993	0.73%
Brunswick Timber LLC	Timber	\$2,987,541	0.43%
ECIM Properties LLC	Real Estate Rental	\$2,786,259	0.40%
Eastern NC Broadcasting Corporation	Broadcasting	\$2,553,396	0.36%
Nunnelee Properties LLC	Real Estate Rental	\$2,185,727	0.31%

**COMPLIANCE SECTION**



**BARROW, PARRIS & DAVENPORT, P.A.**  
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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE  
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

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To the Board of County Commissioners  
Jones County, North Carolina

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregated remaining fund information of Jones County, North Carolina, as of and for the year ended June 30, 2009, which collectively comprises Jones County's basic financial statements, and have issued our report thereon dated November 30, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. The financial statements of Jones County ABC Board were not audited in accordance with Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Jones County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Jones County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or a combination of significant deficiencies, that adversely affects the County's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood of the County's financial statements that is more than inconsequential will not be prevented or detected by the County's internal control. We consider the deficiency described in the accompanying schedule of findings and responses as Finding 09-1 to be significant deficiency in internal control over financial reporting.

A material weakness is a significant deficiency, or a combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the County's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, of the significant deficiencies described above, we consider Finding 09-1 to be a material weakness.

Compliance and Other Matters

As a part of obtaining reasonable assurance about whether Jones County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and which are described in the accompanying schedule of findings and questioned costs as Finding 09-2 and Finding 09-3.

The County's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the County's responses and, accordingly, we express no opinion on it.

This report is intended solely for the information of the audit committee, management, others within the organization, members of the county commissioners, and federal and State awarding agencies and pass-through entities and is not intended and should not be used by anyone other than these specified parties.

*Barrow, Parris & Davenport, P.A.*

BARROW, PARRIS & DAVENPORT, P.A.

November 30, 2009





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**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR  
FEDERAL PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE  
WITH OMB CIRCULAR A-133 AND THE STATE SINGLE AUDIT IMPLEMENTATION ACT**

---

To the Board of County Commissioners  
Jones County, North Carolina

Compliance

We have audited the compliance of Jones County, North Carolina, with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement and the Audit Manual for Governmental Auditors in North Carolina* issued by the Local Government Commission, that are applicable to each of its major federal programs for the year ended June 30, 2009. Jones County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Jones County's management. Our responsibility is to express an opinion on Jones County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and the State Single Audit Implementation Act. Those standards, OMB Circular A-133, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Jones County's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Jones County's compliance with those requirements.

In our opinion, Jones County complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2009. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements that are required to be reported in accordance with OMB Circular A-133 and the State Single Audit Implementation Act, which are described in the accompanying schedule of findings and questioned costs as Finding 09-4, Finding 09-5, Finding 09-6, Finding 09-7, and Finding 09-8.

Internal Control Over Compliance

The management of Jones County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Jones County's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined below. However, as we discussed below, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or a combination of control deficiencies that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the County's internal control. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as Finding 09-4, Finding 09-5, Finding 09-6, Finding 09-7, and Finding 09-8 to be significant deficiencies.

A material weakness is a significant deficiency, or a combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the County's internal control. We consider Finding 09-7 described in the accompanying schedule of findings and questioned costs to be a material weakness.

Jones County's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the County's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the audit committee, management, others within the organization, members of the County Commissioners, and federal and State awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Barrow, Parris & Davenport, P.A.*

BARROW, PARRIS & DAVENPORT, P.A.

November 30, 2009



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**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR STATE  
PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH APPLICABLE  
SECTIONS OF OMB CIRCULAR A-133 AND THE STATE SINGLE AUDIT IMPLEMENTATION ACT**

---

To the Board of County Commissioners  
Jones County, North Carolina

Compliance

We have audited the compliance of Jones County, North Carolina, with the types of compliance requirements described in the *Audit Manual for Governmental Auditors in North Carolina* issued by the Local Government Commission, that are applicable to each of its major State programs for the year ended June 30, 2009. Jones County's major State programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major State programs is the responsibility of Jones County's management. Our responsibility is to express an opinion on Jones County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and applicable sections of OMB Circular A-133, as described in the *Audit Manual for Governmental Auditors in North Carolina*, and the State Single Audit Implementation Act. Those standards, applicable sections of OMB Circular A-133, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major State program occurred. An audit includes examining, on a test basis, evidence about Jones County's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Jones County's compliance with those requirements.

~~In our opinion, Jones County complied in all material respects, with the requirements referred to above that are applicable to each of its major State programs for the year ended June 30, 2009. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements that are required to be reported in accordance with OMB Circular A-133 and the State Single Audit Implementation Act, which are described in the accompanying schedule of findings and questioned costs as Findings 09-9, Finding 09-10, Finding 09-11, and Finding 09-12.~~

Internal Control Over Compliance

The management of Jones County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to State programs. In planning and performing our audit, we considered Jones County's internal control over compliance with requirements that could have a direct and material effect on a major State program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined below. However, as we discussed below, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a State program on a timely basis. A significant deficiency is a control deficiency, or a combination of control deficiencies that adversely affects the entity's ability to administer a State program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a State program that is more than inconsequential will not be prevented or detected by the County's internal control. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as Findings 09-9, 09-10, 09-11 and 09-12 to be significant deficiencies.

A material weakness is a significant deficiency, or a combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a State program will not be prevented or detected by the County's internal control. We do not consider any of the deficiencies described in the accompanying schedule of finds and questioned costs to be material weaknesses.

Jones County's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the County's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the audit committee, management, others within the organization, members of the County Commissioners, and federal and State awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Barrow, Parris & Davenport, P.A.*

BARROW, PARRIS & DAVENPORT, P.A.

November 30, 2009

**JONES COUNTY, NORTH CAROLINA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For The Fiscal Year Ended June 30, 2009**

**I. SUMMARY OF AUDITOR'S RESULTS**

	<u>YES</u>	<u>NO</u>
<b><u>Financial Statements</u></b>		
Type of auditor's report issued: Unqualified		
Internal control over financial reporting:		
• Material weakness(es) identified	<u>X</u>	
• Significant deficiency(s) identified that are not considered to be material weaknesses	<u>X</u>	
Noncompliance material to financial statements noted		<u>X</u>

**Federal Awards**

Internal control over major programs:		
• Material weakness(es) identified	<u>X</u>	
• Significant deficiency(s) identified that are not considered to be material weaknesses	<u>X</u>	
Type of auditor's report issued on compliance for major federal programs: Unqualified		
Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133	<u>X</u>	

Identification of major federal programs:

<u>CFDA Numbers</u>	<u>Name of Federal Programs or Cluster</u>
	<b>Food Stamp Cluster:</b>
10.551	Food Stamp Program – Direct Benefit Payments
10.561	State Administrative Matching Grants for the Food Stamp Program
	<b>Subsidized Child Care Cluster:</b>
93.596	Child Care Development Fund-Administration
93.575	Child Care and Development Fund-Discretionary
93.596	Child Care and Development Fund-Mandatory and Match
93.558	TANF
93.667	Social Services Block Grant
93.778	Medical Assistance Program

Dollar threshold used to distinguish between Type A and Type B Programs	<u>\$479,600</u>
Auditee qualified as low-risk auditee	<u>X</u>

**JONES COUNTY, NORTH CAROLINA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For The Fiscal Year Ended June 30, 2009**

	<u>YES</u>	<u>NO</u>
<b><u>State Awards</u></b>		
Internal control over major State programs:		
• Material weakness(es) identified	<u>X</u>	
• Significant deficiency(s) identified that are not considered to be material weaknesses	<u>X</u>	
Type of auditor's report issued on compliance for major State programs: Unqualified		
Any audit findings disclosed that are required to be reported in accordance with State Single Audit Implementation Act	<u>X</u>	
Identification of major State programs:		

**Program Name**

Medical Assistance Program

**II. FINANCIAL STATEMENT FINDINGS**

**FINDING 09-1**

**SIGNIFICANT DEFICIENCY**  
**MATERIAL WEAKNESS**

<i>Criteria:</i>	The County should have personnel in place that have expertise in financial accounting and reporting sufficient to prepare or review financial statements to ensure they are in accordance with generally accepted accounting principles.
<i>Condition:</i>	Although the County has employed financial personnel to perform the daily functions of the finance department, the staff does not have the technical training and background to prevent, detect, and correct potential misstatements in the financial statements and notes prepared in accordance with generally accepted accounting principles.
<i>Effect:</i>	The financial statements could include material misstatements or inadequate disclosures that are not in accordance with generally accepted accounting principles.
<i>Cause:</i>	The County does not have financial personnel that have the necessary technical training and expertise to ensure financial statements are prepared in accordance with generally accepted accounting principles.
<i>Recommendation:</i>	The County may consider providing the necessary training to current personnel or outsourcing the financial statement preparation function. However, an analysis of the costs versus benefits should be considered.
<i>Views of Responsible Officials and Planned Corrective Action:</i>	Due to the related costs to eliminate this deficiency, management has determined that they are willing to accept the risks associated with the deficiency. They will monitor the internal controls over financial reporting, and will make attempts to improve the related internal control process when feasible.

**JONES COUNTY, NORTH CAROLINA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For The Fiscal Year Ended June 30, 2009**

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**FINDING 09-2****IMMATERIAL NONCOMPLIANCE**

<i>Criteria:</i>	In accordance with North Carolina General Statute 159-28, no obligation may be incurred in a program, function, or activity accounted for in a fund included in the budget ordinance unless the budget ordinance includes an appropriation authorizing the obligation and an unencumbered balance remains in the appropriation sufficient to pay in the current fiscal year the sums obligated by the transaction for the current fiscal year.
<i>Condition:</i>	Expenditures made in several departments in various County funds exceeded the appropriations made by the governing board.
<i>Effect:</i>	Funds were expended that had not been appropriated by the Board and the expenditures were not in accordance with applicable State statutes.
<i>Cause:</i>	The County did not amend the budget for changes occurring through the year not anticipated in the initial adoption of the budget ordinance.
<i>Recommendation:</i>	The budget should be monitored closely to ensure that appropriations are available before expenditures are incurred.
<i>Views of Responsible Officials and Planned Corrective Action:</i>	The County agrees with the finding. The Board will be given monthly budget reports for review. Budget amendments will be made as necessary prior to expenditures being incurred.

**FINDING 09-3****IMMATERIAL NONCOMPLIANCE**

<i>Criteria:</i>	In accordance with North Carolina General Statute 159-32, all moneys collected or received by an officer or employee of a local government shall be deposited daily when the moneys on hand reach \$250.
<i>Condition:</i>	Moneys in excess of \$250 received by the Health Department were held more than overnight.
<i>Effect:</i>	Moneys were not deposited in accordance with applicable State statutes.
<i>Cause:</i>	The Health Department employees were unaware of the daily deposit requirement.
<i>Recommendation:</i>	The County should monitor Health Department receipts to ensure that the department stays in compliance with the daily deposit requirement.
<i>Views of Responsible Officials and Planned Corrective Action:</i>	The County agrees with the finding. The Finance Department will monitor Health Department receipts to ensure that deposits are being made timely.

**JONES COUNTY, NORTH CAROLINA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For The Fiscal Year Ended June 30, 2009**

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**III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

**FINDING 09-4 (REPEAT FINDING)**

**U.S DEPARTMENT OF AGRICULTURE**

*Passed Through the N.C. Department of Health and Human Services:*

Program Names: Food Stamp Cluster: Food Stamp Program – Direct Benefit Payments, State Administrative Matching Grants for the Food Stamp Program

CFDA#'s: 10.551, 10.561

**U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES**

*Passed Through the N.C. Department of Health and Human Services:*

Program Names: Subsidized Child Care Cluster: Child Care and Development Fund – Discretionary, Child Care and Development Fund – Mandatory and Match, TANF, Social Services Block Grant; Medical Assistance Program

CFDA#'s: 93.575, 93.596, 93.558, 93.667, 93.778

**SIGNIFICANT DEFICIENCY**  
**IMMATERIAL NONCOMPLIANCE**

Reporting

<i>Criteria:</i>	County employees must maintain day sheets and account for 100% of their time per the DSS fiscal manual.
<i>Condition:</i>	In our test of 3 randomly selected employees (each tested for two months), we noted 11 instances where employees had not accounted for their time properly.
<i>Questioned Costs:</i>	None. Since the time in question is general and administrative time, there is no cost effect to the reporting on the DSS-1571.
<i>Effect:</i>	None. Since the time in question is general and administrative time, there is no cost effect to the reporting on the DSS-1571.
<i>Cause:</i>	Employees not following proper procedures when completing day sheets. No apparent supervisory review.
<i>Recommendation:</i>	Employees should be responsible for accounting for 100% of time worked. Supervisory personnel should implement periodic review procedures to ensure accurate recording of time.

*Views of Responsible  
Officials and Planned  
Corrective Actions:*

The County agrees with the finding. Responsible staff will be reminded of the requirement that all employees must maintain day sheets that account for 100% of their time.



**JONES COUNTY, NORTH CAROLINA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
For The Fiscal Year Ended June 30, 2009

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**FINDING 09-5****U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES***Passed Through the N.C. Department of Health and Human Services:*

Program Name: Subsidized Child Care Cluster (Temporary Assistance for Needy Families, Child Care and Development Fund-Mandatory, Child Care and Development Fund-Match)

CFDA #'s: 93.558, 93.667, 93.575, 93.596

**SIGNIFICANT DEFICIENCY**  
**IMMATERIAL NONCOMPLIANCE**

Special Tests and Provisions

*Criteria:* Parent fees and the portion paid by the County should be determined and recorded accurately at initial application and annual and quarterly redeterminations.

*Condition:* In our test of 45 participant files, we noted 3 instances where parent fees were incorrectly calculated and 1 instance where the parent fee was correctly calculated but was not recorded in the system at the time of redetermination.

*Effect:* Parents fees, in 3 cases, were calculated to be higher than they should have been, and, in one case, was calculated to be lower than it should have been. Overall, this made the County's portion of the fee lower than it should have been, resulting in underpayments by the County.

*Cause:* Parent fees were determined with incorrect income in 3 cases and were recorded late in 1 case.

*Questioned Costs:* \$0. The errors were corrected before year-end.

*Recommendation:* Personnel responsible for fee determination should accurately record fees at initial determination and quarterly and annual redetermination. Supervisory personnel should implement periodic review procedures to ensure accurate recording of correct fees.

*Views of Responsible  
Officials and Planned  
Corrective Actions:*

The County agrees with this finding. Procedures will be implemented to ensure that fees are determined accurately and that periodic review procedures are performed by supervisory personnel.

**JONES COUNTY, NORTH CAROLINA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
For The Fiscal Year Ended June 30, 2009

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**FINDING 09-6**

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

*Passed Through the N.C. Department of Health and Human Services:*

Program Name: Subsidized Child Care Cluster (Temporary Assistance for Needy Families, Child Care and Development Fund-Mandatory, Child Care and Development Fund-Match)

CFDA #'s: 93.558, 93.667, 93.575, 93.596

**SIGNIFICANT DEFICIENCY**  
**IMMATERIAL NONCOMPLIANCE**

Special Tests and Provisions

*Criteria:* Childcare Provider files must be properly maintained in order to ensure that providers are updated and made aware annually of payment policies, procedures, and rates. The provider must complete and return an application for enrollment to be a provider and must also return a signed provider agreement annually.

*Condition:* In our test of 14 provider files, we noted 2 instances where provider files did not contain current applications for enrollment to be a provider and a provider agreement.

*Effect:* The County made payments to the providers who had not completed the mandatory forms for the period covered.

*Cause:* The forms had not been returned to the County by the providers.

*Recommendation:* Personnel responsible for maintenance of provider files should ensure that the files contain the necessary forms. Supervisory personnel should implement periodic review procedures to ensure provider files contain the necessary forms.

*Views of Responsible  
Officials and Planned  
Corrective Actions:*

The County agrees with this finding. Procedures will be implemented to ensure that provider files contain necessary forms.

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**FINDING 09-7**

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

*Passed Through the N.C. Department of Health and Human Services:*

Program Name: Medicaid - Transportation

CFDA #'s: 93.778

**SIGNIFICANT DEFICIENCY**  
**MATERIAL WEAKNESS**

Eligibility

*Criteria:* Medicaid transportation workers must do an assessment of need for each certification period. A certification period may be for each individual trip, for a series of appointments, or for a "Blanket" period of time not to exceed the Medicaid certification period.

JONES COUNTY, NORTH CAROLINA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For The Fiscal Year Ended June 30, 2009

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<i>Condition:</i>	In our test of twenty-five files, seventeen files had no current needs assessment. Needs assessments are not being done for each certification period.
<i>Effect:</i>	Clients are receiving continuing transportation services without regard to need.
<i>Cause:</i>	Responsible personnel are not completing needs assessments for each certification period.
<i>Questioned Costs:</i>	\$130,917. This represents 68% of the total dollars spent on Medicaid Transportation. Sixty-eight percent of the total federal dollars spent on Medicaid Transportation was calculated to be the questioned cost due to the lack of needs assessments in sixty-eight percent of the files tested.
<i>Recommendation:</i>	Needs assessments should be done for each certification period in accordance with state policy to ensure that only eligible clients are receiving services.
<i>Views of Responsible Officials and Planned Corrective Actions:</i>	The County agrees with this finding. Procedures will be implemented to ensure that assessments are done for each certification period.

**FINDING 09-8**

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

*Passed Through the N.C. Department of Health and Human Services:*

Program Name: Medical Assistance Program

CFDA #'s: 93.778

**SIGNIFICANT DEFICIENCY**

Eligibility

<i>Criteria:</i>	<u>As part of the basic program requirements, Medicaid workers must document the client's citizenship or alien status. Workers must also document two acceptable verifications of State residency. In addition, the case file should contain either a copy of form DMA-5046, Notice of Rights to Transportation, or documentation that the form was sent.</u>
<i>Condition:</i>	In our test of 40 client files, 2 files did not contain proper citizenship documentation, 3 files did not contain proper State residency documentation, and 2 files did not contain proper documentation for the Notice of Rights to Transportation.
<i>Effect:</i>	Clients who are potentially ineligible may be receiving services.
<i>Cause:</i>	Responsible personnel are not properly documenting case files.
<i>Recommendation:</i>	Each instance noted above was brought to the attention of the appropriate caseworker and recommended to be corrected at or before the client's next review.

**JONES COUNTY, NORTH CAROLINA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
For The Fiscal Year Ended June 30, 2009

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*Views of Responsible  
Officials and Planned  
Corrective Actions:*

The County agrees with this finding. Procedures will be implemented to ensure that proper documentation is included in each case file.

**IV. STATE AWARD FINDINGS AND QUESTIONED COSTS**

**FINDING 09-9**

N.C. DEPARTMENT OF HEALTH AND HUMAN SERVICES

Program Names: Subsidized Child Care Cluster: Child Care and Development Fund – Discretionary, Child Care and Development Fund – Mandatory and Match, TANF, Social Services Block Grant; Medical Assistance Program

*REFER TO FEDERAL FINDING 09-4*

**FINDING 09-10**

N.C. DEPARTMENT OF HEALTH AND HUMAN SERVICES

Program Name: Subsidized Child Care Cluster (Temporary Assistance for Needy Families, Child Care and Development Fund-Mandatory, Child Care and Development Fund-Match)

*REFER TO FEDERAL FINDING 09-5*

**FINDING 09-11**

N.C. DEPARTMENT OF HEALTH AND HUMAN SERVICES

Program Name: Subsidized Child Care Cluster (Temporary Assistance for Needy Families, Child Care and Development Fund-Mandatory, Child Care and Development Fund-Match)

*REFER TO FEDERAL FINDING 09-6*

**FINDING 09-12**

N.C. DEPARTMENT OF HEALTH AND HUMAN SERVICES

Program Name: Medical Assistance Program

*REFER TO FEDERAL FINDING 09-8*

**JONES COUNTY, NORTH CAROLINA  
CORRECTIVE ACTION PLAN  
For The Fiscal Year Ended June 30, 2009**

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**FINANCIAL STATEMENT FINDINGS****FINDING: 09-1**

- A. Name of Contact Person: Melissa Moore-Freeman, Finance Officer
- B. Corrective Action: The County has determined that we are willing to accept the risks associated with this deficiency.
- C. Proposed Completion Date: No corrective action will be taken at this time.

**FINDING: 09-2**

- A. Name of Contact Person: Melissa Moore-Freeman, Finance Officer
- B. Corrective Action: The budget will be more closely monitored and amended as necessary.
- C. Proposed Completion Date: The County plans to begin this process immediately.

**FINDING: 09-3**

- A. Name of Contact Person: Melissa Moore-Freeman, Finance Officer
- B. Corrective Action: The Finance Department will monitor Health Department receipts to ensure that deposits are being made timely.
- C. Proposed Completion Date: The County plans to begin this process immediately.

**FEDERAL AWARD FINDINGS****FINDING: 09-4**

- A. Name of Contact Person: Thelma Simmons, DSS Director
- B. Corrective Action: All responsible staff will be reminded of the requirement that all employees must maintain day sheets that account for 100% of their time.
- C. Proposed Completion Date: The County plans to begin this process immediately.

**FINDING: 09-5**

- A. Name of Contact Person: Thelma Simmons, DSS Director
- B. Corrective Action: Procedures will be implemented to ensure that fees are determined accurately and that periodic review procedures are performed by supervisory personnel.
- C. Proposed Completion Date: The County plans to begin this process immediately.

**JONES COUNTY, NORTH CAROLINA  
CORRECTIVE ACTION PLAN  
For The Fiscal Year Ended June 30, 2009**

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**FINDING: 09-6**

- A. Name of Contact Person: Thelma Simmons, DSS Director
- B. Corrective Action: Procedures will be implemented to ensure that provider files contain necessary forms.
- C. Proposed Completion Date: The County plans to begin this process immediately.

**FINDING: 09-7**

- A. Name of Contact Person: Thelma Simmons, DSS Director
- B. Corrective Action: Procedures will be implemented to ensure that assessments are done and done timely in the future.
- C. Proposed Completion Date: The County plans to begin this process immediately.

**FINDING: 09-8**

- A. Name of Contact Person: Thelma Simmons, DSS Director
- B. Corrective Action: Procedures will be implemented to ensure that proper documentation is included in each case file.
- C. Proposed Completion Date: The County plans to begin this process immediately.

**STATE AWARD FINDINGS****FINDING 09-9**


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REFER TO FEDERAL FINDING 09-4

**FINDING 09-10**

REFER TO FEDERAL FINDING 09-5

**FINDING 09-11**

REFER TO FEDERAL FINDING 09-6

**FINDING 09-12**

REFER TO FEDERAL FINDING 09-8

**JONES COUNTY, NORTH CAROLINA**  
**SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS**  
For The Fiscal Year Ended June 30, 2009

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**FINDING 08-1**                   **(Financial Reporting)**  
STATUS:                       Not corrected. See current year finding 09-1.

**FINDING 08-2**                   **(Year-end Closing Process)**

STATUS:                       Corrected.

**FINDING 08-3**                   **(Budgetary Over-expenditures)**

STATUS:                       Not corrected. See current year finding 09-2.

**FINDING 08-4**                   **(Fixed Assets)**

STATUS:                       Corrected.

**FINDING 08-5**                   **(Balanced Budget)**

STATUS:                       Corrected.

**FINDING 08-6**                   **(Cash Reconciliations)**

STATUS:                       Corrected.

**FINDING 08-7**                   **(Budgeted Revenues)**

STATUS:                       Corrected.

**FINDING 08-8**                   **(Dual Signatures)**

STATUS:                       Corrected.

**FINDING 08-9**                   **(Disbursements Approval)**

STATUS:                       Corrected.

**FINDING 08-10**                  **(Depositing Revenues)**

STATUS:                       Corrected.

**FINDING 08-11**                  **(DSS-1571 – Day Sheets)**

STATUS:                       Not corrected. See current year finding 09-4.

**FINDING 08-12**                  **(DSS-1571 – Prior Monthly Corrections)**

STATUS:                       Corrected.

**JONES COUNTY, NORTH CAROLINA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE FINANCIAL AWARDS**  
For The Fiscal Year Ended June 30, 2009

Grantor/Pass-Through Grantor/Program Title	CFDA Number	Federal-(Direct & Pass-Through) Expenditures	State Expenditures	Local Expenditures
<b>FEDERAL PROGRAMS</b>				
<b>U.S. DEPARTMENT OF AGRICULTURE:</b>				
<b>Food and Nutrition Service:</b>				
<b>Passed Through NC Department of Health and Human Services:</b>				
<b>Division of Social Services:</b>				
<b>Administration:</b>				
<b>Food Stamp Cluster:</b>				
<i>Administered by County Dept. of Social Services:</i>				
Food Stamp Program - Direct Benefit Payments	10.551	\$1,699,559		
State Administrative Matching Grants for the Food Stamp Program	10.561	144,280		\$144,280
<b>Total Food Stamp Cluster</b>		<b>\$1,843,839</b>	<b>\$0</b>	<b>\$144,280</b>
<b>Passed Through NC Department of Health and Human Services:</b>				
<b>Division of Public Health:</b>				
<b>Administration:</b>				
<i>Administered by County Health Department:</i>				
Special Supplemental Nutrition Program for Women, Infants & Children	10.557	\$57,342		
<b>Direct Benefit Payments:</b>				
Special Supplemental Nutrition Program for Women, Infants & Children	10.557	148,599		
		<b>\$205,941</b>	<b>\$0</b>	<b>\$0</b>
<b>Division of Aging:</b>				
<b>Administration:</b>				
<i>Administered by County Finance Department:</i>				
Nutrition Program for the Elderly-C1	10.570	\$11,400		
Nutrition Program for the Elderly-C2	10.570	1,327		
		<b>\$12,727</b>	<b>\$0</b>	<b>\$0</b>
<b>Food Distribution Division:</b>				
<i>Administered by County Dept. of Social Services:</i>				
Commodity Supplemental Food Program	10.565	\$11,877		
		<b>\$11,877</b>	<b>\$0</b>	<b>\$0</b>
<b>Total U.S. Department of Agriculture</b>		<b>\$2,074,384</b>	<b>\$0</b>	<b>\$144,280</b>



**JONES COUNTY, NORTH CAROLINA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE FINANCIAL AWARDS**  
**For The Fiscal Year Ended June 30, 2009**

Grantor/Pass-Through Grantor/Program Title	CFDA Number	Federal-(Direct & Pass-Through) Expenditures	State Expenditures	Local Expenditures
<b><u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u></b>				
<i>Passed Through NC Department of Commerce:</i>				
<b>Community Development Block Grant</b>				
Small Cities - Scattered Site	14.228	\$368,733		
<b>Total U.S. Department of Housing and Urban Development</b>		<b>\$368,733</b>	<b>\$0</b>	<b>\$0</b>
<b><u>U.S. DEPARTMENT OF HOMELAND SECURITY:</u></b>				
<i>Passed Through NC Department of Crime Control and Public Safety:</i>				
<b>Division of Emergency Management:</b>				
<i>Administered by County Department of Emergency Management:</i>				
Assistance to Firefighters Grant	97.044	\$38,000		
Emergency Management Assistance	97.042	17,073		
<b>Total U.S. Department of Homeland Security</b>		<b>\$55,073</b>	<b>\$0</b>	<b>\$0</b>
<b><u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:</u></b>				
<b><u>Administration on Aging:</u></b>				
<i>Passed Through NC Department of Health and Human Services:</i>				
<b>Aging Cluster:</b>				
<i>Administered by County Finance Department:</i>				
<i>Special Programs for the Elderly-</i>				
Congregate Nutrition			\$11,677	\$1,297
Title III C-Nutritional Services (Congregate)	93.045	\$38,516	2,266	6,176
Home Delivered Meals			18,940	2,104
Title III C-Nutritional Services (Home Delivered Meals)	93.045	20,558	1,209	3,426
In Home Aid			40,982	4,663
In Home Aid Title III	93.044	55,724	3,278	4,350
NSIP Supplement	10.570	10,630		
<b>Total Aging Cluster</b>		<b>\$125,428</b>	<b>\$78,352</b>	<b>\$22,016</b>
<b><u>Office of the Secretary:</u></b>				
<i>Passed Through NC Department of Health and Human Services:</i>				
<b>Division of Public Health:</b>				
<i>Administered by County Health Department:</i>				
Family Planning Services Title X	93.217	\$24,560		\$82,277
Bioterrorism	93.283	17,094	\$34,073	
Temporary Assistance for Needy Families	93.558	58,143		
		<b>\$99,797</b>	<b>\$34,073</b>	<b>\$82,277</b>

**JONES COUNTY, NORTH CAROLINA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE FINANCIAL AWARDS**  
**For The Fiscal Year Ended June 30, 2009**

Grantor/Pass-Through Grantor/Program Title	CFDA Number	Federal-(Direct & Pass-Through) Expenditures	State Expenditures	Local Expenditures
<b>Administration for Children and Families:</b>				
<b>Passed Through NC Department of Health and Human Services:</b>				
<b>Division of Social Services:</b>				
<i>Administered by County Dept. of Social Services:</i>				
Work First/Temporary Assistance for Needy Families (TANF)	93.558	\$55,183		\$40,639
Work First Service	93.558	150,043		31,942
Work First/TANF-Direct Benefit Payments	93.558	64,466		
		<b>\$269,692</b>	<b>\$0</b>	<b>\$72,581</b>
NC Child Support Enforcement Section	93.563	<b>\$212,547</b>	<b>\$0</b>	<b>\$109,494</b>
Low Income Home Energy Assistance Block Grant:				
Administration	93.568	\$7,164		
Crisis Intervention Program	93.568	28,694		
Energy Assistance Payments-Direct Benefit Payments	93.568	69,267		
		<b>\$105,125</b>	<b>\$0</b>	<b>\$0</b>
Permanency Planning-Administration	93.645	\$2,200	\$733	
Adoption Subsidy-Direct Benefit Payments	93.645		13,488	
		<b>\$2,200</b>	<b>\$14,221</b>	<b>\$0</b>
<b>Passed Through NC Department of Health and Human Services:</b>				
<b>Division of Social Services:</b>				
Foster Care and Adoption Cluster:				
Title IV-E Foster Care-Administration	93.658	\$9,018	\$164	\$8,713
Foster Care-Direct Benefit Payments	93.658	44,071	14,113	29,958
Adoption Assistance-Direct Benefit Payments	93.659	13,627	2,406	3,977
<b>Total Foster Care and Adoption Cluster</b>		<b>\$66,716</b>	<b>\$16,683</b>	<b>\$42,648</b>
Social Services Block Grant	93.667	<b>\$63,367</b>	<b>\$7,004</b>	<b>\$21,731</b>
<b>Division of Child Development:</b>				
<b>Subsidized Child Care Cluster:</b>				
<i>Administered by County Department of Social Services:</i>				
Child Care Development Fund-Administration	93.596	\$80,000		
Temporary Assistance for Needy Families	93.558	74,347		
Child Care and Development Fund-Discretionary	93.575	192,093		
Social Service Block Grant	93.667	4,205		
Child Care and Development Fund-Mandatory	93.596	73,460		
Child Care and Development Fund-Match	93.596	23,245	\$12,796	
State Funding Day Care			36,144	
TANF-MOE Daycare			(764)	
<b>Total Subsidized Child Care Cluster</b>		<b>\$447,350</b>	<b>\$48,176</b>	<b>\$0</b>

**JONES COUNTY, NORTH CAROLINA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE FINANCIAL AWARDS**  
**For The Fiscal Year Ended June 30, 2009**

Grantor/Pass-Through Grantor/Program Title	CFDA Number	Federal-(Direct & Pass-Through) Expenditures	State Expenditures	Local Expenditures
<b><u>Center for Medicare and Medicaid Services:</u></b>				
<b><u>Passed Through NC Department of Health and Human Services:</u></b>				
<b><u>Division of Medical Assistance:</u></b>				
<i>Administered by County Department of Social Services:</i>				
Medicaid Administration	93.778	\$10,939	\$9,385	\$1,553
Medicaid Reimbursement Projects - Transportation	93.778	192,525		192,525
<i>Direct Benefit Payments:</i>				
Medical Assistance Program	93.778	11,730,867	4,731,493	363,954
State Children's Insurance Program - N.C. Health Choice	93.767	12,755	615	3,608
		<b>\$11,947,086</b>	<b>\$4,741,493</b>	<b>\$561,640</b>
<b><u>Health Resources and Services Administration:</u></b>				
<b><u>Passed Through NC Department of Health and Human Services:</u></b>				
<b><u>Division of Public Health:</u></b>				
<i>Administered by County Health Department:</i>				
Immunization Grants	93.268	\$17,168		
Maternal and Child Health Services Block Grant	93.994	115,071		
		<b>\$132,239</b>	<b>\$0</b>	<b>\$0</b>
<b><u>Centers for Disease Control</u></b>				
<b><u>Passed Through NC Department of Health and Human Services:</u></b>				
<b><u>Division of Public Health:</u></b>				
<i>Administered by County Health Department:</i>				
Health Promotions	93.991	\$16,913	\$8,511	
		<b>\$16,913</b>	<b>\$8,511</b>	<b>\$0</b>
<b>Total U.S. Department of Health and Human Services</b>		<b>\$13,488,460</b>	<b>\$4,948,513</b>	<b>\$912,387</b>
<b>TOTAL FEDERAL ASSISTANCE</b>		<b>\$15,986,650</b>	<b>\$4,948,513</b>	<b>\$1,056,667</b>
<b>STATE PROGRAMS</b>				
<b><u>OFFICE OF THE GOVERNOR:</u></b>				
<b><u>Division of Veteran Affairs:</u></b>				
<i>Administered by County Veterans Services:</i>				
Veteran Affairs		<b>\$0</b>	<b>\$2,000</b>	<b>\$0</b>

**JONES COUNTY, NORTH CAROLINA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE FINANCIAL AWARDS**  
For The Fiscal Year Ended June 30, 2009

Grantor/Pass-Through Grantor/Program Title	CFDA Number	Federal-(Direct & Pass-Through) Expenditures	State Expenditures	Local Expenditures
<b><u>NC DEPARTMENT OF HEALTH AND HUMAN SERVICES:</u></b>				
<b>Division of Youth Services:</b>				
<i>Administered by County Finance Department:</i>				
Juvenile Justice and Delinquency			\$87,431	
<b>Division of Social Services:</b>				
<i>Administered by County Department of Social Services:</i>				
<i>Direct Benefit Payments:</i>				
Supplemental Assistance			\$121,245	\$121,245
<b>Division of Public Health:</b>				
<i>Administered by County Health Department:</i>				
General			\$78,930	
Public Health Nurse Training			1,400	
Communicable Disease			9,778	
Women's Preventative Health			2,049	
Adolescent Pregnancy Prevention			17,950	
Aids-State			500	
Tuberculosis			2,540	
Minority Health			69,971	
Miracle Grant (Closing the Gap)			66,227	
Healthy Carolinas Partnership Support			5,727	
TB Medical Services			787	
			<b>\$255,859</b>	
<b>Division of Natural Resources:</b>				
<i>Administered by County Department of Soil and Water Conservation:</i>				
Soil and Water Conservation			\$38,843	
Trent River Clean Up Grant			96,616	
Orthophotography Grant			9,250	
Recycling Grant			18,000	
			<b>\$162,709</b>	
<b>Total NC Department of Health and Human Services</b>		<b>\$0</b>	<b>\$627,244</b>	<b>\$121,245</b>
<b><u>NC DEPARTMENT OF CORRECTIONS:</u></b>				
<i>Passed through the Criminal Justice Partnership Program:</i>				
<i>Administered by County Finance Office:</i>				
Correction and Rehab Center		<b>\$0</b>	<b>\$58,613</b>	<b>\$0</b>
<b><u>NC DEPARTMENT OF CRIME CONTROL AND PUBLIC SAFETY:</u></b>				
<i>Administered by County Finance Department:</i>				
NC Floodplain Mapping Program		<b>\$0</b>	<b>\$33,750</b>	<b>\$0</b>

**JONES COUNTY, NORTH CAROLINA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE FINANCIAL AWARDS**  
For The Fiscal Year Ended June 30, 2009

Grantor/Pass-Through Grantor/Program Title	CFDA Number	Federal-(Direct & Pass-Through) Expenditures	State Expenditures	Local Expenditures
<b><u>NC DEPARTMENT OF TRANSPORTATION:</u></b>				
<i>Administered by County Finance Department:</i>				
Elderly/Disabled Transportation Assistance Program (E&DTAP)		\$0	\$115,469	\$0
<b><u>NC DEPARTMENT OF INSURANCE:</u></b>				
SHIIP Grant		\$0	\$4,200	\$0
<b><u>NC DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES:</u></b>				
<i>Passed through The Rural Center:</i>				
Clean Water Bond Program		\$0	\$9,322	\$0
<b>TOTAL STATE ASSISTANCE</b>		<b>\$0</b>	<b>\$850,598</b>	<b>\$121,245</b>
<b>TOTAL FEDERAL AND STATE ASSISTANCE</b>		<b>\$15,986,650</b>	<b>\$5,799,111</b>	<b>\$1,177,912</b>

**BASIS OF PRESENTATION**

1. The accompanying schedule of expenditures of federal and State awards includes the federal and State grant activity of Jones County and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and the State Single Audit Implementation Act. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements. Benefit payments are paid directly to recipients and are not included in the County's basic financial statements. However, due to the County's involvement in determining eligibility, they are considered federal awards to the County and are included on this schedule.

2. The following are clustered by the NC Department of Health and Human Services and are treated separately for state audit requirement purposes: Subsidized Child Care; Foster Care and Adoption.